C2710-2 11/15/82

Pensions &
Investment Age ®

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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • November 8, 1982

Ford Financial executives (left to right) Ralph Pompea, Robert Chambers and John Pettipher: A full-fledged investment broker

Ford sub pushes its brokering services

Privately placed $30 million last year

By Pavan Sahgal

Corporate finance

DEARBORN, MI.—A newly named Ford subsidiary, Ford Financial Services Inc., is aggressively attempting to become an investment broker to the Fortune Second 500 group of companies.

The company, which is affiliated with Ford Motor Credit Co., privately placed $30 million last year and expects to place another $250 million this year. The company hopes to be among the top 15 private placement agents next year, with over $350 million.

"I've made a personal commitment that I, as president, and at least one of my vice presidents will personally be involved in every deal we do," said Ralph G. Pompea.

Ford Financial was known as Ford Credit Equity Corporation in its previous incarnation when it handled transactions mainly for the Ford Motor Co. and affiliates. The firm, registered in 1977, was renamed in mid-August to herald its broader role.

In what may be a novel corporate move, the Ford firm is selling financial and private placement expertise to smaller companies and emerging as a full-fledged investment broker.

Ford, in offering to assist other firms, is capitalizing on the first-name relationships its professionals have developed with institutional lenders over the years.

"Through Ford Motor Credit, they have a wide array of contacts," said David E. Candler, vp financial services at Fairchild Aircraft Corp. in San Antonio,

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Late news

LTV hires for equities

DALLAS, TX.—The LTV Corporation has selected Franklin Portfolio Management to run a $75 million equity portfolio for its over $1 billion pension fund, according to an LTV spokesman.

In addition, LTV has hired Thomas L. Karsten Associates as a real estate investment adviser, the spokesman said.

Franklin Portfolio Management, based in Boston, was chosen to run a passive equity portfolio for the pension fund that will be the core portion of the portfolio as well. Thomas L. Karsten will advise LTV on properties in which the fund will have direct participation, he said. LTV plans to increase its commitment to real estate from 10% to 15% through these direct investments.

GM moves overseas

NEW YORK—General Motors has authorized three of its money

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Stock given in lieu of cash

Plan nets a hefty profit from stock contribution

By Kimberly Blanton

ROCHESTER, N.Y.—Eastman Kodak Co.'s $2.5 billion pension fund snapped up a tidy $42 million profit on its sale of a three million-share block of Kodak common stock. Kodak issued the stock to the fund only three weeks before, in lieu of a cash contribution.

While apparently saving the photographic company cash in a year when its liquidity is low for its high liquidity standards, the stock contribution left Wall Street bankers and analysts speculating on the move.

Kodak has refused to comment more than to say that the move was to save cash.

Kodak is a healthy company, and its cash position—over $500 million—would be envied by many other companies.

The financial condition under which it contributed stock is in sharp contrast to that of firms in the troubled metals industry, such as U.S. Steel Corp., that recently contributed preferred stock to their pension plans in lieu of cash (*Investment Age*, Sept. 14).

However, Wall Street analysts say Kodak is wary of letting its cash dip below the $500 million mark. Analysts are now speculating on why the healthy company did not issue the stock directly into the market and place the cash proceeds into the fund to meet its annual funding requirement.

Analysts suggested that issuing the stock to its own pension fund guaranteed a solid price for the stock when the company was faced with a "disappointing" earnings statement, which could weaken the price of the stock.

The move also left the company, or at least its fund, in a position that would allow it to sit on the issue and wait for any future price increase. "It's a disguised way for the company to issue new stock," one analyst commented.

Whatever Kodak's motivation, the move was a profitable one for

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Utility hires for futures

Public Service Co. names Stuyvesant Capital to manage a $5 million equity account that uses stock index futures

DENVER, CO.—The $150 million Public Service Company of Colorado pension fund has transformed one of its equity portfolios into one managed with stock-index futures.

In the Colorado utility's first use of any type of futures, trustees granted the New York investment management firm, Stuyvesant Capital Management, approval to use stock-index futures in its management of an existing $5 million equity account, according to Doug Robertson, assistant treasurer.

The account will be managed apart from the utility's other equity funds.

A handful of pension funds already employ bond futures, but Public Service of Colorado is one pension fund that is leading institutions' initiation into the new stock index futures market.

A stock index future is a contract either to buy or to sell a market index, such as the Standard & Poor's (S&P) 500, at a specific index level at a later date. Unlike, say, bond futures, delivery of a large portfolio of stocks is impossible, and these contracts are instead settled in cash at $500 per index point.

Mr. Robertson admitted that since the fund had never used futures, it was difficult to gain trustees' approval. He said his case for using the new contract turned around, however, with the recent relaxation by the Department of Labor for rules regarding margin requirements in futures trading (*IA*, Oct. 11).

The utility's approval of a stock index account follows closely Westinghouse's use of the new contract to participate in the stock market's recent rally (*IA*, Oct. 25).

Mr. Robertson is apparently unfazed by his role in the vanguard of the industry. "The futures market is nothing new. The only thing new is there's the possibility of using equities (futures)," he explained.

The contracts first began trading Feb. 24 with the Kansas City Board of Trade's introduction of the Value Line-index future. The Chicago Mercantile Exchange's S&P 500 contract, and the New York Futures Exchange's NYSE contract soon followed. Stuyvesant Capital will use all three in managing the utility's account.

Mr. Robertson deferred questions about strategy to Herb Moser, principal at Stuyvesant Capital.

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Use of excess assets hit

Terminations spark House committee bill

By Joel Chernoff

WASHINGTON—The House Select Committee on Aging is drafting a bill to deter employers from terminating their pension plans to regain any "excess" assets.

The bill would require that all or part of the residual assets be distributed among plan participants. Committee chairman Claude Pepper (D-Fl.) is expected to introduce the bill in about a month.

In the past year, several major employers, such as Harper & Row Publishers Inc., A.G. Becker, and the Great Atlantic & Pacific Tea Co. (A&P) have terminated overfunded plans and used the residual assets for various purposes.

The House Aging Committee believes that the motivation for terminating some of these plans was not in "the best aggregate interests of participants," according to a committee staffer.

The Internal Revenue Code "says that overfunding should be the result of actuarial error," the aide continued. He questioned whether that standard is really being observed by the Internal Revenue Service.

"Assets represent deferral of income to employees," the staffer said. Thus, any surpluses should redound to the mutual benefit of both employer and participants.

To remove the incentive for em-

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"There are no surprises"

Institutions react favorably to the 1982 election results

By Pavan Sahgal

NEW YORK—Major Institutional investors are bullish on the market after last Tuesday's election.

The Democratic victories, at face value, imply that President Reagan will be restricted in his ability to steer his legislative programs through Congress, but some investors called the poll results "mild gains" for the President. Many felt the economic programs that are in place will remain.

The Dow Jones industrial average gained a record 43.41 points on the day after the elections, closing at 1,065.49.

Investors reacted positively to the victories, said John Whitmore, president and chief executive officer of Bessemer Trust Co., because the Republicans retained a majority in the Senate. Democrats won't be able to undo the programs in place, he commented.

Similar views were voiced by others in the investment community, who said a bull market the day after the polls was just a reinforcement of their views.

"The market has said that the Republicans didn't lose," said J. Anthony Forstmann, managing partner and chief investment officer at Forstmann-Leff Associates, a money management firm which manages about $2.4 billion, almost all in tax-exempt assets.

"The Democrats have gained enough so that there will be a more moderate course," he added. "I think the market is certainly appreciating it at this point. There are no surprises."

Other investment managers noted that the upward bias in the market had preceded the election, and investors had only paused temporarily to see if anything untoward might happen at the polls.

"I think an uncertainty, even a mild uncertainty, has been removed with respect to a change in government philosophy," said Victor J. Melone, chief investment officer at Manufacturers Hanover Trust. "It was a mild plus for Mr. Reagan."

One reason the investment community did not view the Democratic gains as a Republican loss is that many of the Democrats are seen as being from relatively conservative constituencies.

"I don't think it (the outcome) mattered much, unless you saw Kennedy-type Democrats elected across the board," said Mr. Melone.

In his perception, a "pragmatic" approach would prevail among the Democrats. The effort would be "to try and accommodate getting the economy growing again," he said. ■

Banks may be scrutinized by California public funds

By Steve Hemmerick

SACRAMENTO—Some California legislators are worried that the huge bank stock holdings of the state's retirement funds might be hurt by troubled bank loans.

At a hearing of the Joint Committee on Public Pension Fund Investments, a couple of legislators suggested that investment officers for the state retirement funds tell top banking officials of their worries over loans to foreign countries that could go into default, such as loans to Mexico and Poland.

Legislators suggested that the retirement systems' concerns be expressed directly to bank officials

Melvin Petersen, chief investment officer for the $17.5 billion California Public Employees' Retirement System (PERS) and the $9.7 billion State Teachers' Retirement System (STRS), told committee members that the retirement systems' concerns could be expressed directly to bank officials.

"Yes, we could do that. We have not been that active in going directly to those institutions and telling them about our concerns," said Mr. Petersen.

"One problem with the banking industry is you can't see into their long portfolio. Only after a country or a company gets into trouble do you get a sense of what they have lent," he said.

He told committee members that some banks are being avoided by the state's inhouse investment staff, though he did not say which banks are being avoided. He also said there has been a "flight to quality."

The PERS had a number of large holdings in bank stocks, according to Computer Directions Advisors (CDA), Silver Spring, Md. As of June 30, they were (ranked by market value) Bank of America, with 1% of shares outstanding; Citicorp., with 1% of all shares; Mercantile Texas Corp. with 3% of all shares; Chase Manhattan, with 1% of all shares; Seafirst Corp., with 4% of all shares; Wachovia Corp., with 3% of total; and Northwest Bancorp, with 2% of all shares. Figures for the STRS were unavailable.

State Senator Alister McAlister, chairman of the Assembly Committee on Finance, Insurance and Commerce, asked Mr. Petersen if the state investors had considered selling some of the Bank of America holdings.

In reply, Mr. Petersen said, "We have been selling some Bank of America stock. A lot of the problems are reflected in the price. It's a very long position, and we have been interested in reducing it some." But he did not spell out the

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Vol. 10, No. 23—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Il. 60611. Second class postage paid at Chicago, Il. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Il. 60611. Copyright 1982.

Late news

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managers to invest portions of its portfolio in international equities if market conditions are favorable, sources said. The three managers are: Mellon Bank, through its Mellon Pictet affiliate, Citibank and Morgan Guaranty Trust Co.

Gordon Binns, chief investment funds officer, declined comment other than to say that GM is looking at overseas investments and that process is continuing.

Hancock sets up sub

BOSTON—John Hancock Mutual Life Insurance Co. has formed an investment management subsidiary, Independence Investment Associates.

Independence Investment, which has been split off from the insurance company's pension investment department, is an active stock and bond manager that uses computer technology and quantitative methods to sort information.

It will initially manage $1.25 billion in pension assets from existing clients, as well as John Hancock's large commingled stock and bond accounts.

New Mellon realty sub

NEW YORK—Four key employees unhappy with a reorganization at Merrill Lynch Hubbard have jumped ship and joined Mellon Bank's new venture in real estate investment and management.

Robert Kinney and James Foran, both former vps and institutional real estate managers at Merrill Lynch, began last Monday as president and executive vp, respectively, of a wholly owned real estate subsidiary of the bank's holding company, Mellon National Corp. Richard Normandin, a senior investment manager at Merrill Lynch, will join Mellon with similar duties in mid-December, and Karin Shewer, a new product developer is also joining Mellon.

Fund adds custodian

BOSTON—The Massachusetts State Teachers Annuities fund, with $1.1 billion in assets, named as custodian State Street Bank and Trust, Boston. State Street replaces First National Bank of Boston, which continues as custodian for the $1 billion Massachusetts State Employees Fund.

Proposition defeated

SACRAMENTO, CA.—California state ballot proposition No. 6, which would have allowed state public retirement funds and some county public funds to increase their stock holdings, was defeated by an almost two-to-one margin. The ballot proposition was supported by Gov. Jerry Brown, who also lost his bid for a U.S. Senate seat. If the proposition had passed, many California public funds would have been able to invest up to 60% of their portfolio in common stocks, instead of the current 25% limit. It would have also allowed the funds to invest a small portion of their portfolio in the stocks of emerging companies.

Carnation selects 1

LOS ANGELES—Carnation Co. has hired Dreyfus Management Inc., New York, to replace Prudential Insurance Co. of America, Newark, N.J., as manager of a $30 million balanced equity and fixed-income account.

Michael Malone, Carnation's treasurer, would not comment on the reasons for the switch, made without the aid of a consultant.

Tacoma fund appoints

TACOMA, WA.—The $90 million Tacoma Employees Retirement System moved a $15 million equity account to IntraWest Investment Management Group, according to Gary Gillingham, acting manager.

Scudder, Stevens & Clark, San Francisco, which formerly managed $30 million in equities, now manages $15 million. The second manager was added because the fund reached a size where it wanted diversification and consistent return, said Mr. Gillingham. IntraWest Group is the trust department of IntraWest Banks of Denver.

The bank changed its name from First of Denver.

Fund buys raw land

DALLAS—E-Systems Inc.'s pension trust, which has most of its real estate investments in raw land, will invest about $14 million in cash to purchase 1,004 acres in a Dallas suburb, a company spokesman said.

The undeveloped land will be purchased from members of the Rasor family, which has extensive land holdings in Plano in Collin County, the site of the E-Systems purchase. The deal is scheduled to close in January.

Earlier this year, E-Systems bought 140 acres northwest of Fort Worth.

Heafitz, Widmann

Partner to sell interest in oil and gas advisory firm

By Nancy Webman and
Maria Crawford Scott

NEW YORK—Meridien Capital Co., a New York-based private investment firm, has agreed in principle to purchase a 35% interest in Heafitz, Widmann, McMahon & Gardner, an oil and gas investment banking firm.

Meridien has agreed to buy the interest from Bruce Heafitz, one of the firm's principals, who will be resigning. The price was not disclosed.

The agreement comes amid rumors concerning Mr. Heafitz's personal financial condition. Mr. Heafitz has a large amount of his personal capital invested in the oil and gas area, and he termed his plight a "cash flow problem," which he said will be worked out by the end of the year.

"The agreement will allow us to concentrate our activities in the institutional market," said Roger Widmann, principal.

He said the firm and Mr. Heafitz have "different investment requirements."

"Bruce is more concerned with deal-making, and we (the firm) are concerned with money management for pension funds." He added that Mr. Heafitz's involvement in oil and gas deals generally involved risk. "We don't take those kinds of risks" he said.

A similar concern led to the departure earlier in the year of another principal, Mike McMahon, who joined James D. Wolfensohn Inc.

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Corporate Finance

Exxon headquarters, N.Y.: Refining a Wall Street swap concept

New debt exchanged for old

Security swaps take on a new twist

NEW YORK—Wall Street is humming a new tune called New Debt for Old, which some investment bankers claim was composed by Morgan Stanley & Co.

Morgan, some say, serenaded the Exxon Corporation with it sometime last fall, but failed to catch its ear at the time.

However the oil company, which has been displaying an independent streak in corporate finance expertise, maintains it developed the debt-exchange strategy itself.

Exxon refined the concept on its own, premiered the idea, and preempted Wall Street's fanfare.

It swapped two issues of a subsidiary, which carried interest rates of 6.625% and 7.4%, for zero coupon bonds backed by the parent company.

Exxon thus succeeded in taking about $40 million in debt off its balance sheet, even as the Street claimed the oil firm had priced its deal too low and left a sizeable picking on the table.

The idea, which could be used by many other corporations, is an improvisation of the stock-for-debt swaps pioneered by Salomon Brothers late last year (*IA*, Jan. 4), but it is different in that it offers new debt in exchange for old debt.

Because the new securities are offered under certain provisions in recapitalization laws, it is also possible to obtain all the pre-1982 tax law advantages of a zero-coupon bond for both the lender and the issuer.

For the issuer, this implies the opportunity to amortize interest payments on a straight-line basis, thus permitting greater front-end tax savings in the life of the new bond.

Cash-basis, individual bondholders also may enjoy some tax-free gains during the life of the security. Not only is interest sheltered from annual income taxes, observed Wall Street bankers, but some of the appreciation may be reported as capital gains when the bond matures.

"Among the benefits of doing the transaction are that the company records an extraordinary accounting gain," said John H. Erdman Jr., principal at Morgan Stanley. "It reduces the amount of debt on its balance sheet, initially, and it significantly reduces the cost of borrowing.

"The reason I say 'initially' is that you have issued a zero-coupon bond, and you record a lower amount of debt on your balance sheet initially. But it increases over time as interest charges are accrued."

Because the new issue is a zero coupon security, the firm does not have to pay out interest periodically. But the corporation is still required to record interest expense and charge it to income. The interest charges are amortized over time, and the company pays out the full face value of the bond and the accrued interest when the notes come due. When issued, zero coupons sell at a hefty discount.

Exxon Shipping Co., a wholly owned subsidiary of Exxon Corp., swapped $55 million of its outstanding 6⅝% guaranteed notes due 1998 and $68.5 million of its $75 million outstanding 7.4% guaranteed notes due 2002 in a transaction concluded Sept. 17 (*IA*, Sept. 27).

In return it offered new, Exxon Corporation-guaranteed, "deferred interest debentures" due 2012. The notes had a face value of $270 and are to pay accrued interest of $730 making a total of $1,000 on maturity in 30 years.

According to Exxon officials, the interest rate costs on the new bonds would be in the 11% range. But the returns to a bondholder may vary.

"It all depends on what the individual holder thinks was the market value of the securities he's giving up," said Jack F. Bennett, senior vp and director at Exxon.

Exxon traded the bonds with about 50 holders, which included several state pension funds. The trades also involved investment banks.

Mr. Bennett listed several advantages to Exxon.

"We lowered our debt on the books and therefore improved our debt ratio," he said. "We extended maturities at a favorable rate, and there's also some current net income that may be flowing from this."

According to Mr. Erdman of Morgan Stanley, in a debt-for-debt swap a firm's borrowing costs are reduced because the net present value cost of after-tax interest and principal payments is lower than if the debt were offered under conventional methods.

Investment bankers acknowledge that the tax provisions permitting stock-for-debt and debt-for-debt swaps are extremely technical and demand a sophisticated understanding of the law to

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This section was researched and written by Pavan Sahgal.

In addition to *IA's* regular coverage, the next special section will appear January 10.

Wall St. investment banks 'downsize'

Smaller companies are finding majors willing to underwrite their financings

NEW YORK—A number of major investment banks are looking to generate underwriting business from smaller companies as profit margins on larger transactions decline.

The trend, which one Wall Street banker calls "downsizing," is developing as firms seek new sources of underwriting fees which have been sliced by shelf registration and increased competition.

"In the initial public offering field, we see major bracket firms managing or willing to manage underwritings of newer and smaller firms, violating their own minimums," observes Graeme K. Howard Jr., a partner in Howard & Co., Philadelphia-based corporate finance specialist and publisher of "Going Public: The IPO Reporter."

"Among the major bracket firms, there are investment banks willing to underwrite companies with after-tax revenues of $1 million or less," disclosed Mr. Howard.

"A few still may say, 'If you don't have $2 million net after-tax, we don't want to underwrite you.' But we see, because of our participation in the IPO (initial public offering) market, much more interest among the majors in small firms with good prospects. There's a willingness to stretch."

The twist may benefit medium-sized corporate issuers in lending more pizzazz to their offerings and ensuring a wider distribution for their securities.

But regional investment banks who have customarily serviced these firms may find themselves working twice as hard to stay where they are.

Some regional investment banks, however, say that they welcome Wall Street collaboration because it is "in the best interests of our (corporate) clients."

"That's great," said Hugh A. Johnson Jr., senior vp at the First Albany Corporation.

"It adds a dimension to our own capabilities.

"Despite the fact that it may mean marginally less fees, to have a Donaldson Lufkin or an L.F. Rothschild co-manage an offering is not unacceptable at all. In fact, it's a logical step for a firm such as ours to take when we have a client who is at the stage where he needs broader distribution or more sophisticated investment banking advice."

Donaldson, Lufkin & Jenrette (DLJ) is lead manager, for instance, for a forthcoming secondary, stock distribution for CSP, Inc. First Albany took the hi-tech company public earlier this year, and is now co-manager in the secondary distribution.

The firm's after-tax profits are estimated to exceed $1 million. The offering may also involve the issue of some new stock, with the total package valued around $11 million.

In addition, DLJ will be lead manager for Raymond Engineering Inc., a Middletown, Ct. firm that is scheduled to go public in December with an offering of 550,000 shares. The issue price is estimated to be between $8 million to $8.5 million. Raymond's after-tax profits for the first nine months of 1982 are estimated to be $1.4 million.

First Albany and Advest Inc. of Hartford, Ct., are co-managers in the offering.

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The top 15 initial public offering underwriters

The following underwriters are ranked by dollars raised through the nine months ending Sept. 30; co-managers receive full credit. The figures in parentheses represent the total number of offerings.

The list was compiled by Howard & Co., publishers of "Going Public: The IPO Reporter."

	($ million)	
Hambrecht & Quist, San Francisco	116.7	(4)
F. Rothschild, Unterberg, Towbin, N.Y	91.8	(4)
Merrill Lynch, N.Y.	54.3	(2)
Shearson/American Express, N.Y.	40.9	(2)
Alex. Brown & Sons, Baltimore	34.9	(3)
Robertson, Colman, Stephens, San Francisco	31.6	(2)
E.F. Hutton, N.Y.	30.3	(2)
Montgomery Securities, San Francisco	24.8	(4)
D.H. Blair & Co. Inc., N.Y.	24.3	(7)
Kidder, Peabody & Co. Inc., N.Y.	23.5	(2)
Drexel Burnham Lambert Inc., N.Y.	19.3	(3)
The First Boston Corporation, N.Y.	19.0	(1)
Warburg Paribas Becker Inc. N.Y.	14.6	(2)
Blinder, Robinson & Co. Inc., Denver	14.6	(5)
Dean Witter Reynolds, San Francisco	12.0	(1)

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PROFESSIONAL ASSET MANAGEMENT INC.
Registered Investment Advisors

Wall Street firms are downsizing . . .

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"The wildly exciting companies are not the big behemoths, but small companies in high-growth fields," said Mr. Johnson.

Wall Street, obviously, sees that.

To stay ahead, regional firms may have to start beefing up their corporate finance divisions and strengthening their origination expertise so as to have more new deals.

"It is forcing us to do the kind of things that we not only should do, but have greater capability than recognized," admits Mr. Johnson of regional investment banking firms as a whole.

"That capability is based on having, first of all, a lot of intimate contacts with companies, and secondly, having some very bright and imaginative people who understand the companies.

"Those two things are pretty powerful in securing business and establishing new relationships," he added.

But the majors already are running cheek to jowl with the regionals. In an effort to establish a broad, on-the-spot national presence, The First Boston Corporation, for instance, plans to move some of its corporate finance personnel from New York to offices in Boston, Chicago, Dallas, Houston, Los Angeles, and San Francisco.

"If you've got capabilities in many areas, obviously you are going to earn more money if you can spread these capabilities to a wider market," comments John Crosby, managing director and director of marketing at Merrill Lynch, a firm which spread its operations to a full market spectrum long before its peers on the Street.

The remarks were phrased as a general comment on the industry.

"I think Wall Street is saying, 'Hey, we've got the capacity and capability to help a wide array of companies in all industries in all sizes,' " he added. "But that doesn't mean Wall Street is moving all its energies into very small companies. That would be illogical. But, obviously, it is broadening its parameters."

In Mr. Crosby's view, "Clearly, there's a continuum from the company that's almost zero in size to ones that are very, very large.

"Wall Street is going to proceed along that spectrum as they perceive opportunity," he said. "They're going to concentrate their manpower and resources where they can have the greatest impact —for the client's benefit and the firm's benefit."

Wall Street is now beginning to reel in the smaller bites it may not have liked to hook a few years ago because the spreads on bigger business have narrowed and competition for very high quality issues is keener.

"The one thing that we've found is that corporations are willing to listen to different bids," said a corporate finance source at one prominent investment bank. "From their point of view, it is a great thing.

"They file a shelf registration statement. They get a blurb in The Wall Street Journal. Every investment banker on the Street calls in with a bid for their securities. And then they go to their managing underwriters, whom they've listed on the prospectus, and say: 'Okay guys, this is what the Street thinks this issue is worth; what are you going to do?' "

Negotiated transactions with smaller firms, therefore, are the logical route to any sizeable underwriting fees.

The smaller the company whose securities are to be underwritten, the higher the spread Wall Street is able to quote for managing the offering. For the higher spread, strongly capitalized investment banks are more willing than their smaller peers to take on the increased risks associated with distributing the securities of some of the newer firms, according to one investment banking source.

But the regional firms, which once were "very, very conservative" in their selections, in turn may be underwriting companies at an earlier stage.

"Among regional investment banks, there both is and will be much more competition," says Mr. Howard, of Howard & Co. "Rule 415 means fewer and fewer underwriting syndicates, which means retail brokers and regional firms don't have any new issues to sell."

Narrower profit margins on the shelf-rule deals often mean that there is not enough room to build in the higher compensation for retail salesmen. Consequently, the effort is to place these deals in large blocks with institutions.

But new issues carry higher commissions, and they also mean that the buyer doesn't pay a commission, a selling advantage to the broker.

"Corporate finance departments at regional firms are going to have to create their own product," said Mr. Howard.

"They will have to spend more time to find companies that are willing to go public. And, even more important, they too may be more willing to underwrite smaller companies." ■

Gold future options trade

NEW YORK—The Commodity Exchange Inc. (COMEX), the world's most active gold market, opened trading in options on gold futures in October. The options are expected to appeal to a large variety of investors because they limit risk exposure to a predetermined dollar amount. They were recently approved by the U.S. Commodity Futures Trading Commission as part of a three-year pilot program for exchange-traded options on futures contracts.

An option conveys the right but not the obligation to buy or sell a particular security, commodity or other instrument within a specified period of time at a particular price, known as the strike price.

The COMEX option is based on its 100 troy ounce gold futures contract, the nation's second most active futures contract in 1982, which has had over nine million contracts traded to date. A futures contract represents an obligation to buy and receive, or to sell and deliver a particular quantity of a commodity at a specified future date. Both call and put options on April, August and December gold futures contracts are traded.

There were five strike prices on opening day for the option, but additional strike prices are expected to be added as needed, based on movements in the underlying futures contract. Strike prices for the options are set at intervals of $10 to $40 an ounce depending on price levels.

For strike prices between $300 and $500 per troy ounce, the intervals will be $20 apart. ■

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C2710-2 11/29/82

Pensions &
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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • November 22, 1982

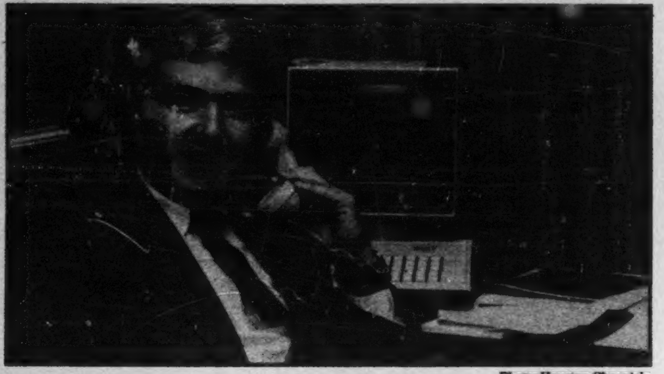

Photo: Houston Chronicle

Hoisington: A defensive position in an "artificially induced" bond rally

Firm stays in cash as bonds take off

Hoisington says rates will drop substantially

By Nancy Webman and Kimberly Blanton

HOUSTON—Hoisington Investment Management Co., the fastest growing money management firm in the nation last year, remains in cash and is sitting out the bond rally.

While other bond managers were raking in extraordinary returns from the interest-rate declines during August, September and October, Van Hoisington, president and chief investment officer, remained "defensively" in cash, and he remains so still.

His decision is based on his opinion that there is no proof of a long-term bull market in bonds and that there is a greater risk to being invested in the bond market than not being invested.

Mr. Hoisington's skepticism about the bond rally has reportedly not gone down well with all of his clients. Though most of the clients apparently hired him because of his defensive approach, a few were reportedly not happy at seeing him on the sidelines while the Salomon Brothers High Grade Bond Index was producing a return of 21.5% in the third quarter.

Those clients contacted by *Investment Age*, however, stressed that Mr. Hoisington's returns were still good and they hired him for the long run. One sponsor, in fact, allocated more money for the firm after the bond market rally.

One pension fund client who hired Mr. Hoisington last year said he is "clearly disappointed with recent returns." But he added, "No bond manager can make every call correctly. We're in it for longer

Continued on page 72

Bond funds best stocks in third quarter results

Median pooled fixed-income funds return 30.5% for 12-month period

By Lynn Griffo

NEW YORK—Fixed-income pooled funds provided extraordinary returns averaging more than 30% over the past 12 months, far outperforming equity funds for the year and for the latest quarter.

The median bank and insurance company pooled fixed-income fund showed a return of 30.5% for the 12 months, and 12.5% for the quarter, according to the latest Pensions & Investments Performance Evaluation Report (P.I.P.E.R.) which is compiled by Rogers, Casey & Barksdale Inc.

These figures reflect both the rally in the fourth quarter of last year and the favorable environment for bonds which continued throughout this year as interest rates drifted downward for the first six months and plunged in the third quarter.

The median equity return for the latest quarter was 10.6% and over the latest 12 months it was 11.6%. Over the three-, five-, and 10-year periods, median bond returns have been edging upwards, with figures for those periods of 8.4%, 6.5% and 6.6% respectively.

The best return the third quarter was reported by Hawaiian Trust Co., which showed a return of 20.6% for that period. The number two spot was filled by First Wisconsin National Bank of Madison, Wi., with a 20.4% return. In third, fourth, and fifth place were First National Bank of Birmingham, Central National Bank of Cleveland and Union Planters National Bank of Memphis with returns of 20.3%, 19.8% and 19.5% respectively.

In the number one spot for the 12-month period ending Sept. 30, is Commerce Union Bank, in Nashville, Tn., with a whopping 47.7% return. Commerce Union was also the top performer for the 10-year period with a 9.3% compound annual return for that time.

The top return for the three-year period was reported by Fourth National Bank and Trust Co., in Wichita, Ks., which had a 15.3% compound annual return. Fourth National also came in first for the five-year period with its 11.8% compound annual return.

P.I.P.E.R. statistics start on page 17

Although the third quarter median return of 12.5% looks good, it is lower than its comparative indices. For the same period, the Lehman Brothers Kuhn Loeb Govern-

Continued on page 73

Pooled stock funds miss August bull

By Linda Savage Ruhe

CHICAGO—The managers of many bank and insurance company pooled equity funds apparently were caught with significant cash positions when the market took off in mid-August. The funds, on average, under performed the Standard & Poor's 500 index for the third quarter.

Of the 254 bank and insurance company funds ranked in the latest Pensions & Investments Performance Evaluation Report (P.I.P.E.R.), compiled by Rogers, Casey & Barksdale Inc., the median fund was up 10.6% for the quarter, compared with 11.5% for the S&P 500.

Over the 12 months ending Sept. 30 the median fund was up 11.8% compared with a gain of 10.0% for the S&P 500. Indeed, 154 out of 253 equity funds beat the S&P 500 for the year.

Here the cash positions the managers took anticipating a continued decline in the market during the year served them well, protecting them somewhat from the market decline in the first half of the year.

For the third quarter, only 78 of the managers beat the S&P 500.

The top performer for the quarter was Bank One Trust, Oh., with a return of 23%. Ohio Citizens Trust ranked second with a return of

Continued on page 73

Enforcement removed from PWBP

DOL pension office may be reorganized

By Joel Chernoff

WASHINGTON—A pending reorganization of the Department of Labor's pension and welfare benefits program (PWBP), along with other possible moves, may leave the pension office a paper tiger, according to informed sources.

What's more, pension experts worry that the changes will impair or kill efforts to deregulate the pension area.

The actions will leave the offices of enforcement, and possibly policy planning and research, outside the purview of the pension and welfare program.

Secretary of Labor Raymond Donovan will appoint a deputy assistant secretary to handle enforcement for all of the programs in the Labor-Management Services Administration (LMSA), which includes the pension program. The slot, which is newly created, will be filled by John Walsh, who was head of a task force that sharply criticized the PWBP enforcement efforts. Mr. Walsh, a retired FBI agent, previously examined pension law enforcement for the Senate permanent subcommittee on investigations.

The announcement was expected shortly as of press time.

Insiders say the move is intended to stifle criticism of agency enforcement efforts by the Senate Labor and Human Resouces committee, headed by Sen. Orrin Hatch (R-Ut.).

In addition, pension experts say that internal politicking within the DOL will lead to PWBP's policy planning and research office being restored to LMSA, from which it originally was taken. DOL officials, however, deny these moves. The policy planning office does the work behind legislative proposals, advisory opinions and other technical areas and is considered the "brains" behind much of the pension program.

Some observers argue that the pension program needs to be beefed up, and they are mystified over what appears to be a downgrading of the program.

After having the Carter administration tighten the reins on the pension program, "now we have the Reagan administration going a further step backward to dismantle the 'independent' organization and totally integrate it with the Labor-Management Services Administration," the Labor Department division in which it operates, says Dallas Salisbury, executive director of the Employee Benefit Research Institute (EBRI) and a former PWBP official.

For the employee benefits community, the changes means "less efficiency and responsiveness" from the Labor Department, Mr. Salisbury adds.

Sources say that if Mr. Clayton loses both the enforcement division and the policy planning office, it would leave him with an office of technicians, responsible for rulemaking but having no teeth. Basically, he would be left with the offices of fiduciary standards, communications and public services, and reporting and planning stan-

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Late news

Florida realty move

TALLAHASSEE, FL.—The $5 billion Florida State Board of Administration will allocate over $300 million to three investment managers for direct real estate investments, according to Ken Peterson, chief investment officer. In the fund's first real estate investments, Equitable Life Assurance Society of the U.S., New York, First Capital Realty Services Corp., Miami, and LaSalle Partners Inc., Chicago, were each instructed to arrange equity real estate ownership of about $100 million, and were given three years to do so, he said.

Rockefeller cancels

NEW YORK—Rockefeller Center Inc. (RCI) has called off an agreement in principle under which Prudential Insurance Co. was to have refinanced a half share in the Rockefeller Center complex with a 10-year $400 million loan at 12¼%. Prudential would have received an option to swap the capital

Continued on page 2

Sacramento commits up to 1%

City fund finds silver lining in precious metals market

By Steve Hemmerick

SACRAMENTO—The $140 million Sacramento City Employees' Retirement System has been trading up to 1% of its assets in gold and silver since March, according to city treasurer Thomas P. Friery.

The inhouse-run program, he said, has earned a $621,300 on its "hard assets" from March 15 to Nov. 1.

"So the program using only 1% of assets has increased the yield on our overall portfolio by 44 basis points, which I think is substantial," said Mr. Friery.

Even though results have been good so far, the city treasurer said he is not "married to the metal indefinitely" and adds that he wouldn't suggest to anyone that the rate of return that has been achieved so far will continue in the future.

Since the program began, the emphasis has been on silver, much less expensive per ounce than gold. At one point, the city fund owned up to 110,000 ounces of silver and 600 ounces of gold. But it has not been a buy and hold metals program.

One month when the city fund owned 100,000 ounces of silver, it shortly sold 40,000 ounces of silver and reduced its holding of gold from 600 ounces to 100. Over a three month period—August through October—the fund traded or turned over 4,600 ounces of gold and 500,000 ounces of silver.

"It is a market that requires continual watching and readiness to act. It moves very quickly," said Mr. Friery.

When the program began, it was decided that of the 1% of assets set aside for it, up to 60% of that 1% would be invested in silver and up to 40% of it would be invested in gold.

Why the emphasis on silver?

Continued on page 73

Inhouse pension results bettered by foundations

SILVER SPRING, MD.—Internally managed foundation and endowment funds outperformed internally managed pension funds in the first nine months of 1982, according to a new study.

The study, prepared by Computer Directions Advisors Inc., examined 69 internally managed stock portfolios whose holdings were reported to the Securities & Exchange Commission (SEC), and found no pension funds in the top 10, and only six in the top 20. Thirty-five pension funds were included in the survey.

Internally run public funds fared better than their private counterparts: Only one corporate fund, the $903 million Gulf & Western Industries fund, was in the top 20.

Only nine pension funds performed better than the market, and several large internal funds, including GTE Investment Management, AT&T, and the New York State Teachers fund, underperformed the Standard & Poor's index for that time period.

The best performing funds were those of foundations which in-

Continued on page 74

Internally managed funds
(Nine month returns)

	($ millions)	%
General Electric Foundation	9	35.4
Hewlett Foundation	258	32.9
Sears, Roebuck & Co.	65	29.0
Gannett Foundation	196	27.9
Kresge Foundation.	163	19.0
Robert Wood Johnson Fdn.	904	17.5
Richard King Mellon Fdn.	87	16.1
Berkshire Hathaway Inc.	765	10.9
Duke Endowment	335	10.1
University of California	2,339	9.2
University of Pennsylvania	108	8.8
Ohio State Teachers	1,546	7.8
Texas Teachers	2,050	7.8
Wisconsin Investment Board	2,041	6.5
Massachusetts Institute of Tech.	87	6.4
Ohio School Employees	207	5.7
California Public Employees	3,430	5.7
Ford Foundation	637	5.4
Elfun Trusts	157	5.1
Gulf & Western Industries	903	4.7

Late news

Continued from page 1

for a 50% equity interest in the complex after five years. Richard Voell, RCI president, said negotiations were called off because Prudential attached too many strings to the money. Prudential said it had not determined from where it would raise the money.

GAF terminates plan

NEW YORK—The GAF Corporation filed papers Nov. 8 with the PBGC, the DOL, and the IRS to terminate its salaried employees pension plan. In September, it had announced its intent to do so and replace the plan with a defined contribution plan. At the time, the firm said it expected an extraordinary tax gain of $35 million due to overfunding.

PBGC rate dropped

WASHINGTON—The Pension Benefit Guaranty Corp. has lowered the interest rate for valuing benefits of terminating nonmultiemployer plans to 10.25% from 10.5%. The new rate is effective for plans terminating on or after Dec. 1, 1982.

UAW adds PBGC suit

CHICAGO—The United Auto Workers employed by White Farm Equipment Co. are now suing the Pension Benefit Guaranty Corp. (PBGC), in addition to the company, for the termination of three pension plans with roughly $20 million in assets. The PBGC became trustee of the three pension plans Sept. 14, and estimates the liability for benefits that would fall upon it due to the terminations would be between $45 million and $50 million (*IA*, Sept. 27).

Tang purchase results

DETROIT—Tang Industries' purchase of McLouth Steel Corp.'s assets will result in the termination of one pension plan and part of another. Under the terms of the sale, the pension plan for unionized employees will be split into two plans, one covering active union employees and the other covering union retirees. The latter will be terminated, as will McLouth's salaried employees plan. However, Tang will make up the difference between guaranteed benefits and accrued vested benefits for the union retirees plan. The PBGC estimates its liability at $20 million to $25 million, before recovery.

U.K. firm buys interest

NEW YORK—L.F. Rothschild, Unterberg, Towbin, the Wall Street investment banking firm, disclosed plans last week to sell a 25% interest in the firm to a U.K. investment company, RIT and Northern PLC. The transaction will involve an initial payment of $30 million to Rothschild. But the firm may secure another $30 million over the next eight years by offering another 25% interest to the U.K. investor.

Common Fund selects

FAIRFIELD, CT.—The Common Fund, in cooperation with a dozen other major university endowment funds, has selected Frank Russell International as consultant for its international investing project, said George Keane, president of the Common Fund.

GIC rates of return

WESTPORT, CT.—The median rate of return on five-year, $5 million guaranteed investment contracts (GICs) declined to 11.98% in November, the lowest rate since they earned 11.9% in Sept. 1980. The rates were reported in Evaluation Associates Nov. 4 issue of Insurance Contract Profiles.

G.R.I.D total returns

PHILADELPHIA—The median total return of the 290 balanced funds in Butcher & Singer's G.R.I.D. universe was 11% in the third quarter.

G.R.I.D., which stands for the Graphical Ranking of Investment Descriptors, is a portfolio classification system developed by the Fiduciary Consulting Group at Butcher & Singer. In the third quarter, the best performing balanced fund returned 20.8%, while even the worst fund was up 5.6%.

The equity portfolio returns paralleled the total fund performance in the third quarter, and achieved a median return of 11.6%. The median fixed income return was up 12.6% for the third quarter.

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Vol. 10, No. 24—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Il. 60611. Second class postage paid at Chicago, Il. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Il. 60611. Copyright 1982.

LTV fund moves into international arena

Targets 5% of assets for overseas

By Lynn Griffo

DALLAS, TX.—The LTV Corp. has made its first move into international investing and has selected two managers to run $20 million in this area, according to an LTV spokesman. LTV, with pension assets totaling $1 billion, plans ultimately to place up to 5% of its assets in international.

Morgan Grenfell Ltd. and Fidelity International were hired to run $10 million apiece, the spokesman said. The hirings will become effective Dec. 1. The company will eventually increase its overseas exposure by raising the asset allocation to its two current international managers and not through additional hirings, the spokesman said.

LTV decided to make the move into international at this time because it provides an opportunity to temper the volatility of the total plan portfolio, thereby reducing risk, according to the spokesman.

In addition, the spokesman said international investing allows the fund to add value, or incremental return, over and above what is available in the domestic market.

"It's fair to say that the major international markets have performed more favorably over the past five to ten years than the domestic markets have," said the spokesman.

Perhaps the most important incentive for LTV's move into international was the timeliness factor, said the spokesman. LTV sees this as the time for a pension fund to go into international because the dollar is so strong relative to other currencies.

"When the overseas markets pick up, you see a decline in the value of the dollar and can earn increased returns from both the international markets themselves as well as from the currency play," explained the spokesman.

Continued on page 4

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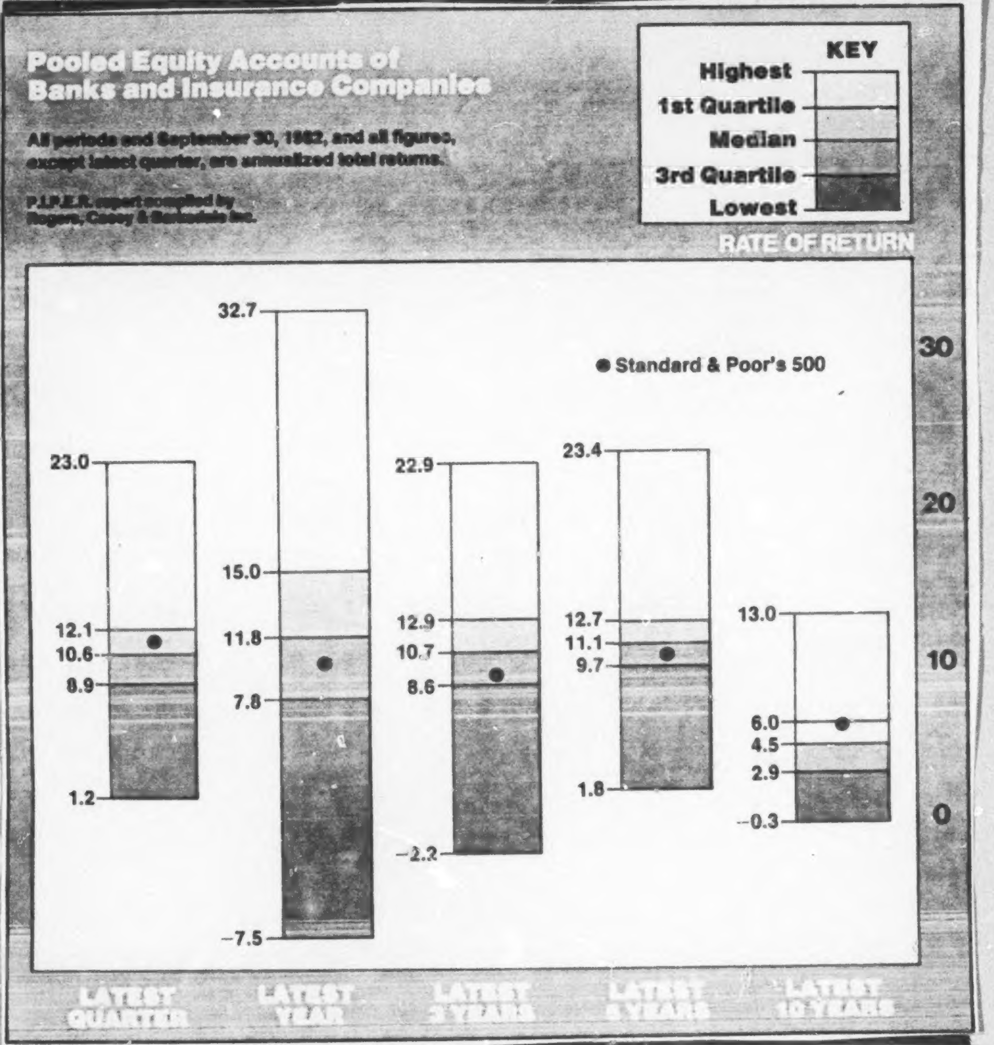
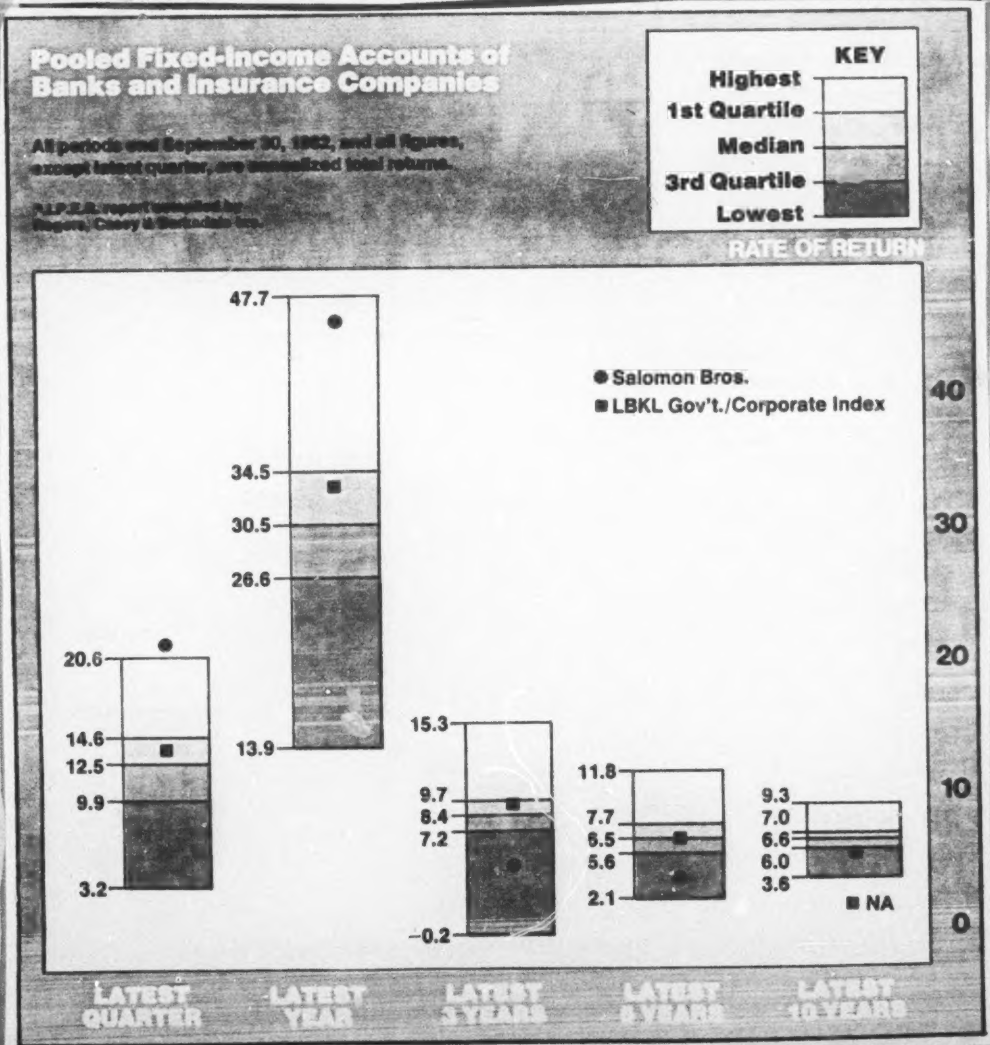
P.I.P.E.R. returns for equity, fixed income

The statistical data on this and subsequent pages is extracted from Pensions & Investments Performance Evaluation Report (P.I.P.E.R.), a quarterly performance evaluation service published by *Investment Age.*

The service details comparative performance data on more than 200 equity funds and a like number of fixed-income funds for banks and insurance companies. The reports are compiled by Rogers, Casey & Barksdale Inc., Stamford, Ct. For further information, see pages 70 and 71.

For subscription information, write: P.I.P.E.R., c/o *Investment Age*, 740 N. Rush St., Chicago, Il. 60611. All data is copyright 1982 by Crain Communications Inc.





Commingled equity funds

3-month returns

	%
Bank One Trust, Oh	23.0
Ohio Citizens Trust	18.3
Citizens Chillocothe, Mo	18.2
New England Mutual, Ma	17.7
Security Pacific, Ca	17.1
Centerre Trust, Mo	16.3
First of Oklahoma	16.2
Central Bank Denver, Co	15.9
Virginia Natl	15.5
Sun Bank, Fl	15.5
Central Fid, Richmond, Va	15.3
First Tennessee, Chat	15.2
First Union Bank, NC	14.9
Gary-Wheaton Bank, Il	14.9
First Interstate of Or	14.5
Manufacturers Detroit, Mi	14.3
Colorado Natl Bank	14.0
Old Natl, Wa	14.0
Continental Illinois	14.0
Union Commerce, Oh	13.8
Seattle Trust, Wa	13.8
Guardian Insurance, NY	13.7
Florida Natl Bank	13.7
First of Bartlesville, Ok	13.5
Mutual Benefit, NJ	13.5
Valley Natl, Az	13.5
Long Island Trust, NY	13.3
First Trust Corp, Co	13.3
US Natl of Oregon	13.2
Boatmen's Natl, Mo	13.2
Texas Commerce	13.1
Fourth Natl, Tulsa, Ok	13.1
Fifth Third Bank, Oh	13.1
First Trust, St. Paul, Mn	13.1
Bessemer Trust, NY	13.0
Lincoln National, In	13.0
Bankers Life, Ia	13.0
Southeast Bank, Fl	13.0
Key Trust Co, NY	13.0
American Fletcher, In	12.9
Provident Natl, Pa	12.9
Detroit Bank & Trust, Mi	12.8
First Wisconsin Trust	12.8
Minnesota Mutual	12.8
Summit & Elizabeth, NJ	12.8
Wilmington Trust, De	12.8
Natl City Cleveland, Oh	12.8
Midlantic National, NJ	12.7
Southern Penn. Bank	12.6
Exchange Natl, Chicago	12.6
John Hancock (Alpha Plus)	12.6
Merchants Natl, Pa	12.6
Chase Manhattan, NY	12.6
Security-Peoples Trust, Pa	12.5
First Wi. Natl, Madison	12.5
First of Denver, Co	12.4
Central Natl, Clev. Oh	12.3
John Hancock (stock) Ma	12.3
First Interstate of Az	12.3
First of Birmingham, Al	12.2
Mercantile Safe, Md	12.2
Equitable Life (No. 1)	12.1
First of Shreveport, La	12.1
Bank of California	12.1
Nationwide Life Ins, Oh	12.1
Standard & Poor's 500	**11.5**

1-year returns

	%
First of Oklahoma	32.7
Security Pacific, Ca	28.4
Commonwealth Natl, Pa	28.2
Central Fid, Richmond, Va	27.7
Bank of the West, Ca	26.7
Central Bank Denver, Co	25.5
New England Mutual, Ma	25.4
Midlantic National, NJ	25.3
Union Natl, Wichita, Ks	23.9
Resource Trust Co, Mn	23.8
First of Birmingham, Al	23.5
Union Commerce, Oh	23.2
Southern Penn. Bank	23.1
Bank One Trust, Oh	22.8
American Fletcher, In	22.2
Ohio Citizens Trust	21.5
United of Denver, Co	21.4
United Virginia Bank	20.9
Mercantile at Dallas, Tx	20.5
Nationwide Life Ins, Oh	20.4
American Natl, Austin, Tx	20.4
Manufacturers Detroit, Mi	20.1
Texas Commerce	19.9
Home Life, NY	19.9
Gary-Wheaton Bank, Il	19.8
Mutual Benefit, NJ	19.1
First Tennessee, Chat	19.1
Sun Bank, Fl	19.0
Riggs of Washington	18.7
Bessemer Trust, NY	18.3
First Natl, Lincoln, Ne	18.2
Minnesota Mutual	18.1
Massachusetts Mutual	18.1
Lincoln National, In	17.9
Colorado Natl Bank	17.8
Fifth Third Bank, Oh	17.7
Commerce Bank, K.C., Mo	17.6
Austin National, Tx	17.6
Southeast Bank, Fl	17.6
Olympic Bank, Wa	17.5
Genesee Merchants, Mi	17.4
First of Warsaw, In	17.3
Allied Bank, Tx	17.1
Landmark Union Trust, Fl	16.7
Union Planters, Tn	16.6
First of Bartlesville, Ok	16.6
US Natl of Oregon	16.5
Mid-State Bancorp, Pa	16.5
First Wi. Natl, Madison	16.3
First American, Tn	16.3
Central Natl, Clev. Oh	16.2
BancTexas, Dallas	16.1
F[illegible]t Interstate of Wa	16.0
Virginia Natl	16.0
First Interstate of Or	15.9
Wheeling Dollar Bank, WV	15.9
First Natl State, NJ	15.8
Provident Mutual, Pa	15.7
Bank of California	15.6
US Natl of Galveston, Tx	15.6
Long Island Trust, NY	15.5
Liberty Natl, Ok	15.0
First City Natl, Houston, Tx	15.0
Standard & Poor's 500	**10.0**

3-year returns

	%
Citizens Chillicothe, Mo	22.9
First of Oklahoma	22.2
First of Denver, Co	20.5
Home Life, NY	19.4
First Natl of Commerce, La	18.6
Phoenix Mutual, Ct	18.1
Mercantile at Dallas, Tx	17.5
Philadelphia Natl, Pa	17.5
Girard Bank, Pa	17.2
Bessemer Trust, NY	16.7
Genesee Merchants, Mi	16.5
Bank One Trust, Oh	16.5
US Natl of Oregon	16.3
Austin Natl, Tx	16.2
Wheeling Dollar Bank, WV	16.2
Marine Trust, Wi	15.8
Equitable Life (No. 4)	15.6
United of Denver, Co	15.3
First Union Bank, NC	15.3
First Natl, Lincoln, Ne	15.2
First Tennessee, Chat	15.2
Massachusetts Mutual	15.0
Capital Bank, Houston, Tx	15.0
Manufacturers Detroit, Mi	15.0
Southern Penn. Bank	14.9
First Interstate of Wa	14.9
Natl of Commerce, Ne	14.9
United Virginia Bank	14.8
New England Mutual, Ma	14.6
Commonwealth Natl, Pa	14.5
Central Fid, Richmond, Va	14.5
First Trust Corp, Co	14.5
Mid-State Bancorp, Pa	14.4
First of Birmingham, Al	14.4
US Natl of Galveston, Tx	14.4
Provident National, Pa	14.3
Rainier National, Wa	14.2
Philadelphia Life, Pa	14.2
First of Ft. Worth, Tx	14.1
Sun Bank, Fl	14.1
Union Planters, Tn	14.0

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P.I.P.E.R.

Continued from page 17

	%
Ohio Citizens Trust	13.9
Confederation Life, Ont	13.9
Texas Commerce	13.8
First Wi. Natl, Madison	13.8
State Street Bank, Ma	13.7
Fifth Third Bank, Oh	13.6
Pittsburgh Natl (QMS)	13.5
Union Commerce, Oh	13.5
Riggs of Washington	13.5
Puget Sound Natl, Wa	13.4
Landmark Union Trust, Fl	13.4
Sentry Life, Wi	13.4
Southeast Bank, Fl	13.4
Northern Trust, Il	13.3
Long Island Trust, NY	13.3
Fourth Natl, Tulsa, Ok	13.0
First City Natl, Houston, Tx	13.0
Trust Co of Georgia	13.0
Natl City Cleveland, Oh	13.0
Liberty Natl, Ok	13.0
Mercantile Safe, Md	12.9
Standard & Poor's 500	**9.1**

5-year returns

	%
Philadelphia Life, Pa	23.4
Citizens Chillicothe, Mo	23.3
First of Denver, Co	20.3
Bessemer Trust, NY	19.9
Natl of Commerce, Ne	19.7
Home Life, NY	18.5
US Natl of Oregon	17.5
First of Oklahoma	17.3
First Wi. Natl, Madison	17.2
Equitable Life (No. 4)	17.0
Confederation Life, Ont	16.8
Capital Bank, Houston, Tx	16.8
First of Fort Worth, Tx	16.3
First Trust Corp, Co	16.2
Guardian Insurance, NY	16.2
Mercantile at Dallas, Tx	16.0
Phoenix Mutual, Ct	15.7
US Natl of Galveston, Tx	15.7
First Natl of Commerce, La	15.6
Sentry Life, Wi	15.5
Texas Commerce	15.4
Girard Bank, Pa	15.3
Philadelphia Natl, Pa	15.2
First Interstate of Wa	14.9
Marine Trust, Wi	14.8
First Union Bank, NC	14.6
United of Denver, Co	14.5
Fifth Third Bank, Oh	14.5
American Natl Chic. (Active)	14.5
Commonwealth Natl, Pa	14.4
Natl City Cleveland, Oh	14.4
Seattle 1st Natl, Wa	14.4
Texas American Bank	14.3
Connecticut General	14.2
Continental Bank, Pa	14.2
Massachusetts Mutual	14.2
Wheeling Dollar Bank, WV	14.2
Hamilton Bank, Pa	14.1
Provident National, Pa	14.0
United Virginia Bank	13.8
Genesee Merchants, Mi	13.7
Nationwide Life Ins, Oh	13.7
Rainier National, Wa	13.7
First City Natl, Houston, Tx	13.7
Landmark Union Trust, Fl	13.7
Liberty Natl, Ok	13.6
First of Birmingham, Al	13.6
Manufacturers Detroit, Mi	13.6
Pittsburgh Natl (QMS)	13.5
First Natl, Lincoln, Ne	13.5
New England Mutual, Ma	13.5
Moline National, Il	13.4
Central Fid, Richmond, Va	13.4
Life of Virginia	13.4
Bankers Life, Ia	13.3
Crown Life, Ont	13.3
Olympic Bank, Wa	13.2
Long Island Trust, NY	13.1
First Tennessee, Chat	13.1
Manufacturers Hanover, NY	12.8
Security Tr, Rochester, NY	12.7
Chemical Bank, NY	12.7
Bank One Trust, Oh	12.7
Southeast Bank, Fl	12.7
Standard & Poor's 500	**10.4**

10-year returns

	%
Guardian Insurance, NY	13.0
Philadelphia Life, Pa	12.3
Bessemer Trust, NY	11.7
US Natl of Galveston, Tx	11.6
First Variable Life, Ar	11.6
First Wi. Natl, Madison	11.5
Capital Bank, Houston, Tx	11.0
Citizens Chillicothe, Mo	10.6
Home Life, NY	10.0
First Trust Corp, Co	9.9
First of Birmingham, Al	9.9
Confederation Life, Ont	9.9
US Natl of Oregon	9.7
Bankers Life, Ia	9.3
Hibernia National, La	9.3

Top equity funds by size

1-year returns

Over $100 million

	%
Mercantile at Dallas	20.5
Massachusetts Mutual	18.1
Natl City, Cleveland, Oh	14.4
Metropolitan Life, NY	12.3
InterFirst Invt Mgmt, Tx	12.1
Chemical Bank, NY	11.3
Harris Trust, Il	11.0
Citibank, NY	10.6
Connecticut General	9.9
Northwestern Natl, Mn	9.5

$50 million to $100 million

	%
Mutual Benefit, NJ	19.1
Bessemer Trust, NY	18.3
US Natl of Oregon	16.5
Trust Co of Georgia	14.2
AmeriTrust, Oh	13.9
Continental Illinois	13.5
Chase Manhattan, NY	12.8
Provident National, Pa	12.7
First Penn. Bank	12.5
Occidental, Ca	12.0

$10 million to $50 million

	%
First of Oklahoma	32.7
Security Pacific, Ca	28.4
Commonwealth Natl, Pa	28.2
New England Mutual, Ma	25.4
Midlantic National, NJ	25.3
First of Birmingham, Al	23.5
Ohio Citizens Trust	21.5
United Virginia Bank	20.9
Nationwide Life Ins, Oh	20.4
Manufacturers, Detroit, Mi	20.1

Under $10 million

	%
Central Fid, Richmond, Va	27.7
Bank of the West, Ca	26.7
Central Bank, Denver, Co	25.5
Union Natl, Wichita, Ks	23.9
Resource Trust Co, Mn	23.8
Southern Penn. Bank	23.1
Bank One Trust, Oh	22.8
American Fletcher, In	22.2
United of Denver, Co	21.4
Gary-Wheaton Bank, Il	19.8

10-year returns

Over $100 million

	%
Bankers Life, Ia	9.3
Equitable Life (No. 4)	8.2
Massachusetts Mutual	7.0
Mercantile at Dallas	6.7
Connecticut General	6.2
Natl City, Cleveland, Oh	6.0
InterFirst Invt Mgmt, Tx	5.7
Northwestern Natl, Mn	5.5
Equitable Life (No. 1)	5.5
Travelers, Ct	5.4

$50 million to $100 million

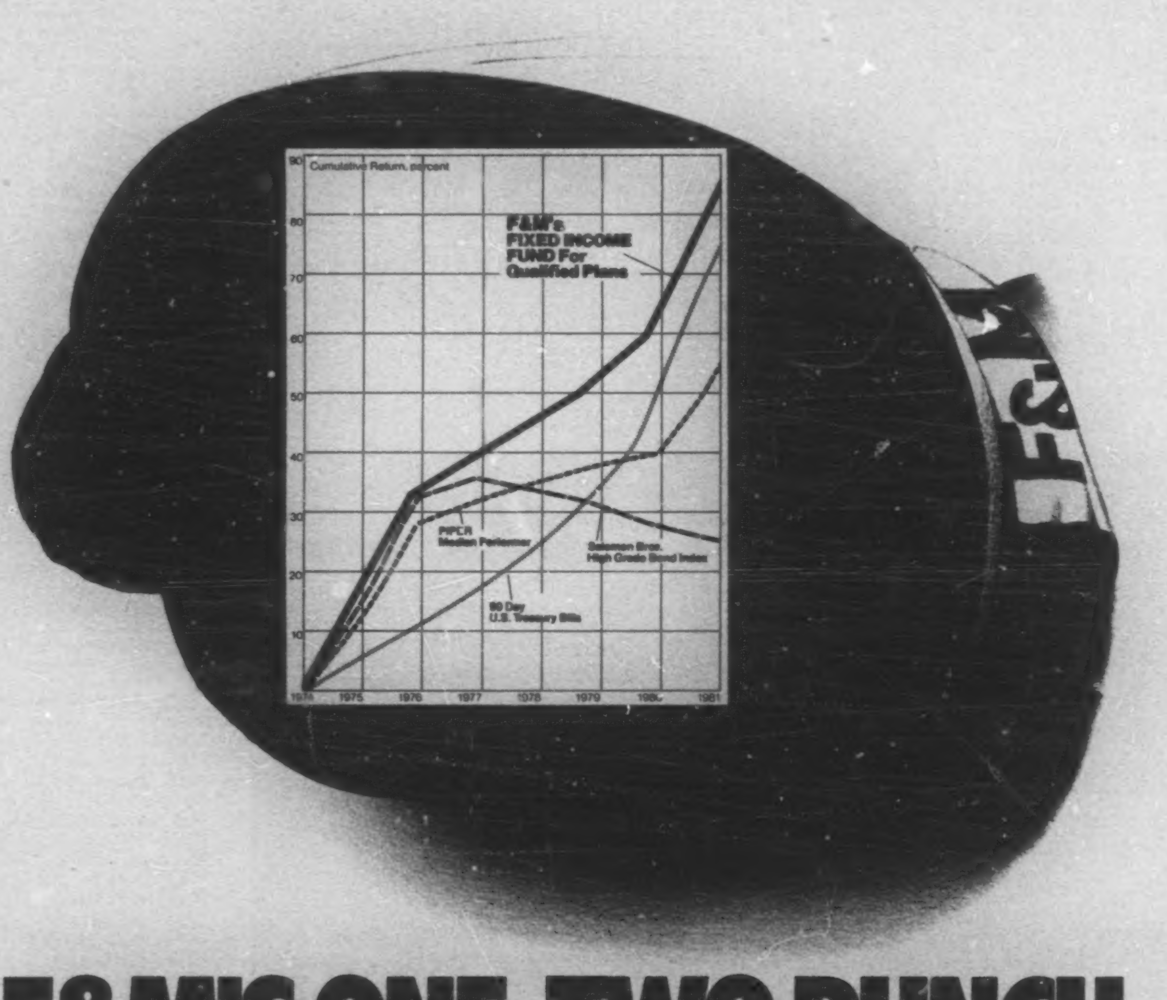
	%
Bessemer Trust, NY	11.7
US Natl of Oregon	9.7
Hibernia National, La	9.3
First Penn. Bank	7.3
Provident National, Pa	7.1
Life of Virginia	7.0
Philadelphia Natl, Pa	6.2
First of Denver, Co	5.9
Sentry Life, Wi	5.5
AmeriTrust, Oh	5.4

$10 million to $50 million

	%
Guardian Insurance, NY	13.0
Philadelphia Life, Pa	12.3
US Natl of Galveston, Tx	11.6
First Variable Life, Ar	11.6
First Wi. Natl, Madison	11.5
Home Life, NY	10.0
First Trust Corp, Co	9.9
First of Birmingham, Al	9.9
Landmark Union Trust, Fl	8.4
Crown Life, Ont	8.1

Under $10 million

	%
Capital Bank, Houston, Tx	11.0
Citizens Chillicothe, Mo	10.6
Confederation Life, Ont	9.9
Olympic Bank, Wa	8.2
First Natl of Commerce, La	7.5
Provident Mutual, Pa	7.1
First Tennessee, Chat	6.8
Old Second Natl, Aurora, Il	6.3
BancTexas, Dallas	6.2
Penn Mutual Life, Pa	6.2



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P.I.P.E.R.

Landmark Union Trust, Fl	8.4
Olympic Bank, Wa	8.2
Equitable Life (No. 4)	8.2
Crown Life, Ont	8.1
Moline National, Il	7.9
Liberty Natl, Ok	7.7
First Interstate of Wa	7.6
First of Oklahoma	7.6
Minnesota Mutual	7.6
Mich. Natl of Grand Rapids	7.5
First Natl of Commerce, La	7.5
Fifth Third Bank, Oh	7.5
Phoenix Mutual, Ct	7.3
First Penn. Bank	7.3
Nationwide Life Ins, Oh	7.2
Provident Mutual, Pa	7.1
Provident National, Pa	7.1
Colorado Natl Bank	7.1
Life of Virginia	7.0
Massachusetts Mutual	7.0
First Tennessee, Chat	6.8
Central Penn, Pa	6.8
Mercantile at Dallas, Tx	6.7
First of Fort Worth, Tx	6.6
Old Second Natl, Aurora, Il	6.3
Connecticut General	6.2
BancTexas, Dallas	6.2
Penn Mutual Life, Pa	6.2
United of Denver, Co	6.2
Philadelphia Natl, Pa	6.2
Rainier National, Wa	6.2
Union Central, Oh	6.0
Natl City, Cleveland, Oh	6.0
United Virginia Bank	6.0
Texas American Bank	6.0
Seattle First Natl, Wa	6.0
Standard & Poor's 500	**5.7**

Commingled fixed-income funds

3-month returns

	%
Salomon Brothers Index	**21.5**
Hawaiian Trust	20.6
First Wi. Natl, Madison	20.4
First of Birmingham, Al	20.3
Central Natl, Cleveland, Oh	19.8
Union Planters, Tn	19.5
Wheeling Dollar Bank, WV	19.3
Commonwealth Natl, Pa	19.3
Commerce Union, Tn	19.1
Centerre Trust, Mo	18.8
Allied Bank, Tx	18.6
Connecticut General	18.3
Citibank, NY	17.8
American Security, DC	17.7
Natl of Commerce, Ne	17.6
Bank of California	17.6
United of Denver, Co	17.6
American National, Mn	17.5
Wachovia, N.C.	17.4
Colorado Natl Bank	17.1
Pacific Mutual, Ca	16.9
Mercantile at Dallas, Tx	16.7
Landmark First Natl, Fl	16.6
Crown Life, Ont	16.6
Boatmen's National, Mo	16.4
First of Chicago, Il	16.1
Texas Commerce	16.1
John Hancock	16.1
First of Shreveport, La	16.1
Fleet Natl Bank, RI	15.9
Minnesota Mutual	15.7
Philadelphia Natl, Pa	15.7

Continued on next page

Top fixed-income funds by size

1-year returns

Over $100 million

	%
American Security, DC	45.0
Connecticut General	42.2
Citibank, NY	41.5
First of Chicago, Il	39.2
John Hancock	39.1
Texas Commerce	37.0
Natl City, Cleveland, Oh	36.3
Harris Trust, Il	36.2
Prudential, NJ	35.9
Natl Bank of Detroit, Mi	35.7

$50 million to $100 million

	%
Bank of New York	41.7
First of Denver, Co	41.0
Boatmen's National, Mo	38.0
Northwestern Natl, Mn	37.1
Northern Trust, Il	34.2
Detroit Bank & Trust, Mi	31.2
Fidelity Bank, Pa	24.1
First Penn. Bank	20.4

$10 million to $50 million

	%
Central Natl, Clev. Oh	45.9
First of Birmingham, Al	45.2
Commonwealth Natl, Pa	43.2
Hawaiian Trust	42.1
Philadelphia Natl, Pa	41.5
Colorado Natl Bank	40.2
Mercantile at Dallas, Tx	40.0
United of Denver, Co	39.5
First Wi. Natl, Madison	39.3
Citytrust, Ct	38.3

Under $10 million

	%
Commerce Union, Tn	47.7
Union Planters, Tn	46.4
Pacific Mutual, Ca	41.5
Wheeling Dollar Bank, WV	40.2
Birmingham Trust, Al	40.2
Crown Life, Ont	39.7
Bank of California	38.8
United Kentucky Bank	37.3
Minnesota Mutual	37.2
Confederation Life, Ont	37.1

10-year returns

Over $100 million

	%
US Trust, NY	9.0
Manufacturers Hanover, NY	8.6
Texas Commerce	8.2
Connecticut General	8.0
Morgan Guaranty, NY (Comp)	7.4
Citibank, NY	6.9
John Hancock	6.9
Natl Bank of Detroit, Mi	6.8
Harris Trust, Il	6.6
First of Chicago, Il	[illegible]

$50 million to $100 million

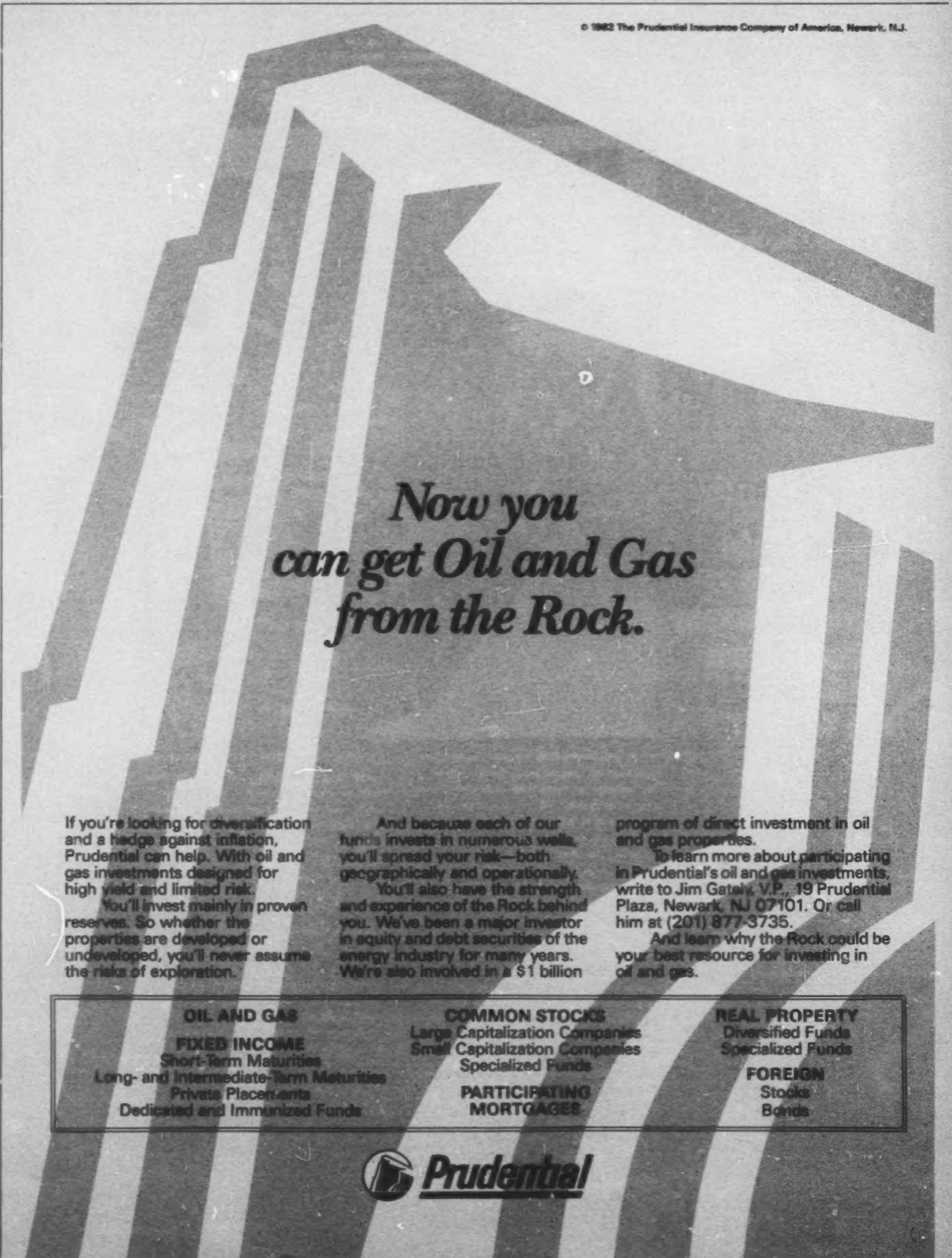
	%
Fidelity Bank, Pa	8.8
First Penn. Bank	7.6
Detroit Bank & Trust, Mi	7.3
Northern Trust, Il	7.0
Northwestern Natl, Mn	6.2

$10 million to $50 million

	%
Hibernia National, La	9.3
Seattle 1st Natl, Wa	9.2
Fourth Natl, Wichita, Ks	9.1
Mercantile Trust, Mo	8.0
Mercantile Safe, Md	7.8
Massachusetts Mutual	7.5
American Fletcher (Int. Mat.)	7.4
Manufacturers Detroit, Mi	7.4
American Fletcher, In	7.4
American Natl, Chic, Il	7.3

Under $10 million

	%
Commerce Union, Tn	9.3
Puget Sound Natl, Wa	7.6
Oregon Bank	7.6
Union Planters, Tn	7.4
First Natl of Commerce, La	7.4
BancTexas, Dallas	7.2
Merchants Natl, In	7.1
Lincoln National, In	7.1
St. Louis County Bank, Mo	6.9
First Interstate of Az	[illegible]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P.I.P.E.R.

Continued from page 19

Confederation Life, Ont	15.3
Natl City, Cleveland, Oh	15.6
American Bank, Pa	15.5
First Tennessee, Memphis	15.5
First of Denver, Co	15.5
Bankers Trust A, NY	15.5
Northwestern Natl, Mn	15.4
Birmingham Trust, Al	15.4
Seattle 1st Natl, Wa	15.3
Mercantile Trust, Md	15.3
Bank of New York	15.3
Title Insurance, Ca	15.3
Equitable Life, NY	15.1
First Tennessee, Chat.	15.0
Travelers, Ct	15.0
Girard Bank, Pa	15.0
First of Allentown, Pa	14.9
Citytrust, Ct	14.9
Lincoln National, In	14.9
Security Pacific, Ca	14.9
Natl Bank of Detroit, Mi	14.8
Hartford National, Ct	14.7
US Natl of Oregon	14.7
Bank of Oklahoma	14.7
InterFirst Invt Mgmt, Tx	14.7
First of Boston (Int. Mat.)	14.6
Trust Co. of Georgia	14.6

1-year returns

	%
Commerce Union, Tn	47.7
Centerre Trust, Mo	47.3
Union Planters, Tn	46.4
Central Natl, Cleveland, Oh	45.9
Salomon Bros. Index	**45.5**
First of Birmingham, Al	45.2
American Security, DC	45.0
Commonwealth Natl, Pa	43.2
Connecticut General	42.2
Hawaiian Trust	42.1
Bank of New York	41.7
Citibank, NY	41.5
Pacific Mutual, Ca	41.5
Philadelphia Natl, Pa	41.5
First of Denver, Co	41.0
Colorado Natl Bank	40.2
Wheeling Dollar Bank, WV	40.2
Birmingham Trust, Al	40.2
Mercantile at Dallas, Tx	40.0
Crown Life, Ont	39.7
United of Denver, Co	39.5
First Wi. Natl, Madison	39.3
First of Chicago, Il	39.2
John Hancock	39.1
Bank of California	38.8
Cititrust, Ct	38.3
Landmark First Natl, Fl	38.1
Boatmen's Natl, Mo	38.0
Natl of Commerce, Ne	37.9
Seattle 1st Natl, Wa	37.8
Bank of Oklahoma	37.5
American National, Mn	37.5
United Kentucky Bank	37.3
Minnesota Mutual	37.2
Confederation Life, Ont	37.1
Northwestern Natl, Mn	37.1
Texas Commerce	37.0
Allied Bank, Tx	36.5
Fidelity Union, NJ	36.4
Natl City Cleveland, Oh	36.3
InterFirst Invt Mgmt, Tx	36.2
Harris Trust, Il	36.2
US Natl of Oregon	36.1
Marine Midland, NY	36.0
Prudential, NJ	35.9
Wilmington Trust, De	35.8
Natl Bank of Detroit, Mi	35.7
Title Insurance, Ca	35.5
Bank of Southwest, Tx	35.5
Citizens Fidelity, Ky	35.5
First Tennessee, Memphis	35.4
Fleet Natl Bank, RI	35.2
Northern Trust, Il	34.9
Bessemer Trust, NY	34.9
Mercantile Trust, Mo	34.8
First Tennessee, Chat	34.8
Equitable Life, NY	34.6
First of Cincinnati, Oh	34.5
LBKL Gov't/Corp. Index	**33.6**

3-year returns

	%
Fourth Natl, Wichita, Ks	15.3
Seattle 1st Natl, Wa	14.7
Texas Commerce	14.0
Jefferson Trust, Il	13.8
Allied Bank, Tx	13.1
Commerce Union, Tn	12.8
Hibernia National, La	12.7
Manufacturers Hanover, NY	12.5
Boatmen's National, Mo	12.5
Fidelity Bank, Pa	12.4
First Valley Bank, Pa	12.3
First of KC, Mo	12.1
American Security, DC	12.0
Bank of New England, Ma	11.9
Trust Co of Florida	11.9
First Jersey Natl, NJ	11.8
Centerre Trust, Mo	11.7
Bankers Trust B, NY	11.7
First of Pa, Erie	11.6
Beverly Bank, Il	11.6
State Natl, Ct	11.5
Pacific Mutual, Ca	11.5
Pittsburgh Natl	11.4
Mercantile Trust, Mo	11.4
US Trust, NY	11.4
Union Planters, Tn	11.3
Riggs of Washington	11.2
Mid-State Bancorp, Pa	11.1
St. Louis County Bank, Mo	11.1
First Natl of Commerce, La	11.1
Oregon Bank	10.9
First of Elgin, Il	10.9
First Bank Milwaukee, Wi	10.7
Fifth Third Bank, Oh	10.7
First of Maryland	10.7
BancTexas, Dallas	10.7
Landmark Union Trust, Fl	10.6
Indiana National Bank	10.6
American National, Mn	10.6
Puget Sound Natl, Wa	10.5
American Natl, Chic, Il	10.5
Bessemer Trust, NY	10.5
Manufacturers Detroit, Mi	10.4
Mercantile Safe, Md	10.4
Merchants Natl, Pa	10.3
Central Trust, Oh	10.2
First Tennessee, Chat	10.2
Southern Penn. Bank	10.2
Merchants Natl, In	10.1
United Missouri, KC	10.1
North Carolina Natl Bank	10.0
Summit & Elizabeth, NJ	9.9
Seattle Trust, Wa	9.8
First Natl, Jackson, Ms	9.8
Toledo Trust, Oh	9.8
Greeley Natl, Co	9.8
Marine Trust, Wi	9.8
Crocker National, Ca	9.7
LBKL Gov't/Corp. Index	**9.1**
Salomon Bros. Index	**4.6**

5-year returns

	%
Fourth Natl, Wichita, Ks	11.8
Fidelity Bank, Pa	10.8
Texas Commerce	10.5
Seattle 1st Natl, Wa	10.4
Hibernia National, La	10.3
US Trust, NY	9.9
Jefferson Trust, Il	9.8
Boatmen's National, Mo	9.6
Commerce Union, Tx	9.4
Manufacturers Hanover, NY	9.4
Merchants Natl, Pa	9.2
First Jersey Natl, NJ	9.2
Pacific Mutual, Ca	9.2
Allied Bank, Tx	9.2
Trust Co of Florida	9.1
Bankers Trust B, NY	9.1
American Security, DC	9.1
Pittsburgh Natl	9.0
Bank of New England, Ma	8.9
Beverly Bank, Il	8.8
First of Elgin, Il	8.8
First Valley Bank, Pa	8.6
First of Pa, Erie	8.6
First Bank of Milwaukee, Wi	8.5
State Natl, Ct	8.5
Union Planters, Tn	8.4
Mercantile Trust, Mo	8.4
Oregon Bank	8.3
Manufacturers Detroit, Mi	8.3
First Natl of Commerce, La	8.2
First of Bartlesville, Ok	8.2
Bessemer Trust, NY	8.2
Indiana National Bank	8.1
Mercantile Safe, Md	8.1
St. Louis County Bank, Mo	8.1
Citizens Fidelity, Ky	8.1
First Natl Jackson, Ms	8.0
BancTexas, Dallas	8.0
Landmark Union Trust, Fl	8.0
Seattle Trust, Wa	8.0
Summit & Elizabeth, NJ	8.0
Centerre Trust, Mo	8.0
American National, Mn	8.0
First Wi Natl, Madison	7.9
First of Maryland	7.9
North Carolina Natl Bank	7.8
Puget Sound Natl, Wa	7.8
American Natl, Chic, Il	7.8
Ouachita Natl, La	7.8
Greeley Natl, Co	7.7
First Tennessee, Chat	7.7
Merchants Natl, In	7.7
LBKL Gov't/Corp. Index	**6.7**
Salomon Bros. Index	**3.4**

10-year returns

	%
Commerce Union, Tn	9.3
Hibernia National, La	9.3
Seattle 1st Natl, Wa	9.2
Fourth Natl, Wichita, Ks	9.1
US Trust, NY	9.0
Fidelity Bank, Pa	8.8
Manufacturers Hanover, NY	8.6

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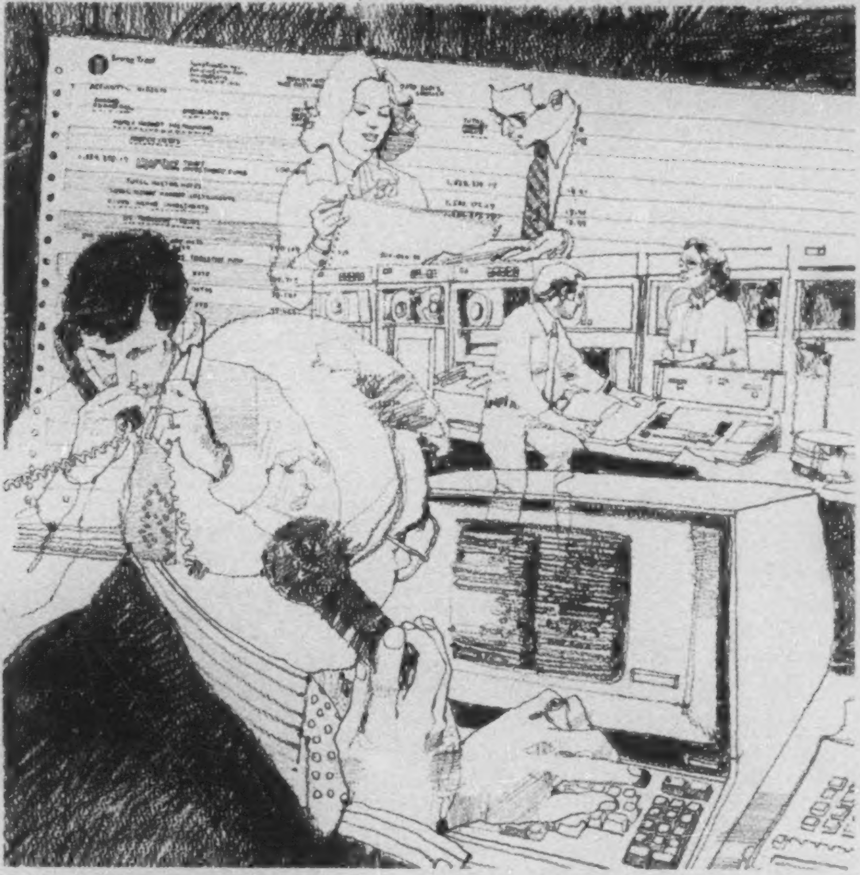

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Consultant hits at low salaries, understaffing

By Steve Hemmerick

SACRAMENTO—The nation's two largest state retirement systems, the California State Employees Retirement System and the California State Teachers' Retirement System, could be losing millions of dollars in potential return on investments partly because they are understaffed and their staff members are relatively underpaid, a consultant has said.

Marcy Avrin, an economist and consultant to the California legislature's joint committee on pension fund investment, told committee members that "a major under-allocation of resources to the investment function" exists for the assets of the two systems.

The California Public Employees' Retirement System (PERS) and State Teachers' Retirement System (STRS) together hold about $21 billion in assets at market value.

"Given the complexity of financial markets and the volatility of the economy, the minimal allocation of resources to the investment function could be costing the system millions of dollars annually in potential investment return," Ms. Avrin told committee members.

She recommended that additional money be provided for staff and services, and predicted that the additions would likely increase the return on the portfolio. She said an additional 0.5% return on the portfolio would bring an additional $135 million.

Currently, although the systems will be split up next year, assets for the two funds are invested together by the PERS investment staff. According to Ms. Avrin's study, about 0.009% of the combined portfolios is used for investment management.

One survey, though not entirely comparable, she said, found that 49% of systems surveyed paid 0.25% of their assets for investment management, and another 27% surveyed used 0.50%.

Last year, she said, the PERS staff of 14 professionals made purchases and commitments of $4.26 billion or $17 million per working day. She said the total portfolios represent about 3.6% of all pension money in the United States and 0.5% of all credit markets.

The systems, Ms. Avrin said, are large enough to buy 1% of all the equity in world markets.

Yet while the total administrative budget for the PERS system grew 269% from fiscal 1972 to 1980, the investment budget grew by only 87%. And she said that while PERS-budgeted staff positions increased 82% in those years, the investment staff increased only by 15%, even though its portfolio increased by 174%.

In addition, salaries for staff members fell behind inflation. While the chief of investments for the PERS makes only slightly more than $50,000 per year, Ms. Avrin estimated that a person in the private sector managing the same amount of money would earn between $200,000 and $300,000 per year. However, she noted that no person in the private sector manages the $27 billion (book value) that the PERS chief of investments oversees.

"The under-allocation of resources to investment staff and salaries is even more critical given the fact that little outside advice is formally obtained. Less than $250,000 was paid to one investment consultant in fiscal 1980-81," Ms. Avrin told the committee.

And she said the inhouse staff is so small that little time is available to assimilate the information and use it to determine investment strategy.

"The board of trustees, which could potentially provide this experise, has little professional investment experience. They also have minimal time to devote to their PERS responsibilities," she said.

She said in the last few years investment decisions have become even more complicated.

"Volatile markets with high interest rates have led to the proliferation of new products such as zero coupon bonds, extendable notes, adjustable rate preferred stock and bonds with warrants. This situation complicates the investment decisions considerably," she said.

"Market volatility has increased in the fixed-income area, making analysis more difficult, demanding and intensive. The bond area has expanded to include variable rate bonds, and bonds backed by tangible assets. More companies have been issuing convertible preferred stocks, a hybrid security with a unique characteristic that makes it complex," Ms. Avrin added.

Such investments as commercial real estate, she said, require detailed analysis, and investment in such things as interest rate futures demand more time to make informed decisions.

But, she said, "The three staff members added to the investment office (of PERS) in the last 10 years are inadequate to assimilate all of these changes, and to manage a portfolio that has increased 174%."

"The cost of doubling the budget of the investment office would be covered by an increased portfolio yield of 0.009%. PERS and STRS barely calculate yield to this degree of accuracy," said Ms. Avrin.

"If, on the other hand, the investment office budget were doubled without resulting in an increased return, the loss would be only 0.2% of the total annual state contribution to PERS and STRS or $2 million out of $885 million," she said. ■

P.I.P.E.R.

Continued from page 20

Centerre Trust, Mo	8.4
Bankers Trust B, NY	8.4
Texas Commerce	8.2
Connecticut General	8.0
Mercantile Trust, Mo	8.0
Mercantile Safe, Md	7.8
First of Bartlesville, Ok	7.6
Puget Sound Natl, Wa	7.6
First Penn Bank	7.6
Oregon Bank	7.6
Massachusetts Mutual	7.5
Union Planters, Tn	7.4
American Fletcher (Int. Mat.)	7.4
Manufacturers Detroit, Mi	7.4
First Natl of Commerce, La	7.4
American Fletcher, In	7.4
Morgan Guaranty, NY (Comp)	7.4
American Natl, Chic, Il	7.3
Crocker National, Ca	7.3
Detroit Bank & Trust, Mi	7.3
First Wi Natl, Madison	7.3
Landmark Union Trust, Fl	7.3
North Carolina Natl Bank	7.3
United Missouri, KC	7.3
Citizens Fidelity, Ky	7.2
BancTexas, Dallas	7.2
Summit & Elizabeth, NJ	7.2
Merchants Natl, In	7.1
First Union Bank, NC	7.1
Lincoln National, In	7.1
Northern Trust, Il	7.0
First Wisc Trust (Int. Mat.)	7.0
Salomon Bros. Index	6.3

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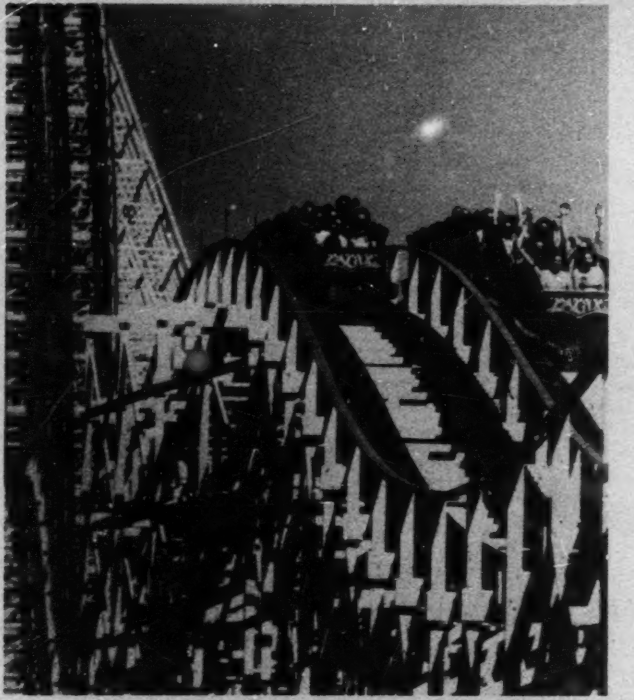

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Fund finds silver lining . . .

Continued from page 2

"When we first started, our historical studies had shown that silver traditionally trades at about a 34-to-one ratio to gold, and at that time silver was trading at about 45 to one. It went as high as 60 to one, and each time that the spread widened, we bought more silver," he said.

At other times, however, he was less sanguine about one or both metals, and at times held no gold at all, putting the cash in short-term investments.

He said that the reason the city fund got into the metal program was because it wanted to diversify furtner its assets, and it wanted to invest in something that would outpace inflation.

"Silver showed a 10-year rate of return of slightly over 19%, and gold was a little bit higher. We were looking for a rate of return that was twice the rate of inflation—something that had demonstrated itself over a very tough period of time that it could outpace the rate of inflation, and silver and gold both did that," he said.

Though the program has always been run inhouse, the city fund had considered using outside investment houses for gold and silver. But Mr. Friery noted that having someone else take over the program would give him no more comfort, and, he said, he realized that even if he did have someone on the outside handle the program, he would still have to become knowledgeable about the subject just to keep tabs on the outside investor.

The final decision to handle the program inhouse came when he couldn't find an adviser to handle it. He said there were newsletters giving out advice, but that wasn't what he needed.

He said that consequently he and his assistant, Phil Barach, have spent hundreds of hours studying gold and silver, specifically how they act in the marketplace. Until recent times, he said, it would have been hard for institutional investors to invest in gold or silver because of a lack of a track record on the metals. But now, he said, 10-year studies have been published on the metals.

Even so, he said, he and the city board of investments only wanted to put a "toe in the water" in investing in the metal, which was the reason for limiting investments to 1% of assets.

At this point, he said, he is operating under something called the "hog theory," which he explains means: "When you are making 70% on your money, there is nothing wrong with taking a profit and reassessing what is going to happen." Though he has not liquidated completely, he had sold much of the fund's hard assets by early November.

The fund does not actually handle gold and silver itself, but rather buys unallocated bullion certificates, where a book entry notice holding the metal for the fund account is made at a London depository.

Photo: Mary Herlehy

Silver: Sacramento does not actually handle silver itself, but instead buys unallocated bullion certificates. Photo courtesy of Deak-Perrera

Mr. Friery said his fund won't trade with just any dealer, and he has done extensive background checks on the ones he does deal with. He declined to name them.

Though he has authority to use the gold and silver futures market, he has not done so extensively. However, if he feels a degree of uncertainty about his holdings, he can, he said, use forward sales contracts to reduce the fund's position.

He said that his knowledge of gold and silver has helped him, to some extent, watch other markets. As many people know, the price of gold appears to have a relationship to world events, and not unexpected, said Mr. Friery, the price of gold did climb during the Falklands crisis.

He said, however, that silver acts more like a commodity, and by early November, silver appeared to be anticipating an economic recovery. As for the future of the metals, Mr. Friery has stepped out on a limb and predicted that the value of gold and silver will go up, and will go down.

The fund has 60% of assets in fixed-income securities, and 40% in equity, including the metals. The equity assets are handled by three outside equity managers. Fixed-income assets are handled inhouse. The fund also has an options program, and holds some real estate. ■

Equity funds . . .

Continued from page 1

18.3%, Citizens Bank, Chillicothe, Mo., was third with 18.2%, New England Mutual, Ma., was fourth with 17.7%, and Security Pacific, Ca., was fifth with 17.1%.

For the latest 12 months the best return was 32.7% by the First National Bank of Oklahoma, while for three years the best return was a compound annual return of 22.9% by the Citizens Bank of Chillicothe.

For five years the best return was a compound annual 23.4% by Philadelphia Life, with Citizens of Chillicothe second at 23.3%.

Guardian Insurance had the best 10-year compound annual return at 13.0%, followed by Philadelphia Life at 12.3%.

At Bank One Trust Co., Columbus, Oh., Michael B. Steele. vp and chief investment officer, attributed the good third quarter return to a decision to move from a heavy cash position late last year to a heavily invested position in mid-August. He also attributed the bank's performance to selecting those stocks that performed well during the period it was invested in the market.

At the end of last year the fund was almost 75% in cash; in the spring there was a decision to gradually start moving assets into the stock market.

Going into the third quarter, the fund had 75% of its assets in the stock market, and continued increasing that until it was 90% invested by the end of August.

Its stock selections emphasized second- and third-tier growth companies, primarily in the computer, electronics, building and defense sectors, according to Mr. Steele.

Ohio Citizens Trust ranked second, and felt it could have done better if it had not started to move so quickly out of the stock market in late August in anticipation of a correction.

The bank started the year with 10% in cash. After the market took off it moved in late September to a 30% cash position.

The strategy was to lock in the profits by selling off stocks after the market took off. "We felt this was the first phase of a bull market and there would be a correction," according to Dennis Zuchowski, assistant vp. The bank is still waiting for that correction to get back in the market.

Citizens Bank & Trust Co., Chillicothe, Mo., ranked third on the list with returns of 18.3% for the three months. Edgerton Welch, chairman of the board and chief investment officer, attributed the ranking to a policy of being fully invested at all times, and being invested in the right stocks.

"We don't think we are smart enough to play the market, so we keep fully invested. In the long run it pays off," he said.

Those sectors that the fund invested heavily in included the medical service sector, hospital management, grocery chains and brokerage firms.

For the year ending Sept. 30, First of Oklahoma ranked first with returns of 32.7%. It ranked seventh for the quarter.

Thomas E. Johnson, senior vp and economist, thinks that good market timing and the right stock selections account for those returns.

The fund was roughly 40% in cash three days before the market turned upward. When it did take off, however, the bank was fully invested, he explained. The fund was heavily weighted in Dow Jones growth stocks.

Security Pacific National Bank ranked second for the 12 months with returns of 28.4%, but dropped to fifth on the quarterly rankings with a return of 17.1%. Like Citizens of Chillicothe, the bank follows a philosophy of being fully invested.

One sector that its portfolios were strongly invested in was financial stocks such as Financial Corp. of America, Federal National Mortgage Association and A.B. Fortia.

The fund also had very little in the energy sector and little in manufacturing and processing, Mr. Heebner pointed out.

Others that ranked high in the one-year rankings included New England Mutual, with a return of 25.4% and American Fletcher, Indianapolis, with a return of 22.2%.

Fixed-income fund results . . .

Continued from page 1

ment/Corporate index came in with a 13.5% return and the Salomon Brothers High-Grade Corporate Bond index chalked-up a 21.5% return. The Salomon figure is higher than any of the 223 fixed-income funds tracked for the P.I.P.E.R. survey.

The Salomon Brothers index is comprised entirely of double- and triple-A rated, high-grade corporate bonds with an average maturity of 20 years or more. And, not surprisingly, the banks which really made a killing in terms of return in the third quarter, as well as during the 12-month time frame, were also invested in long-term high grade corporates or government agencies. Interestingly, the top five performing fixed-income funds for the third quarter got to where they are by sticking their necks out as early as two years ago and going almost 100% into either long corporates or long governments and agencies. Some used low coupon bonds bought at substantial discounts.

And, while their numbers look good for the third quarter and the 12-month periods, most of these same banks took a drubbing in late 1980 and in 1981, having committed to long bonds too soon.

First Wisconsin National Bank of Madison, the second highest performer for the third quarter with a return of 20.4%, had been fully invested in long-term corporate discount bonds since February of this year, said John Thompson, vp and manager of the bank's investment management division.

This strategy was used, Thompson said, because in 1975 and 1970, periods when interest rates declined, long-term discount corporates had the largest returns.

At the end of 1976, when interest rates were in a trough, First Wisconsin sold all bonds in its portfolio which were longer than two- to three years to maturity and did not purchase any more bonds until 1980, he said.

Then, First Wisconsin started buying bonds again in the fall of 1980. And, while it missed the top in August/September of that year, and as a result did not have a good year in 1981, the bank started doing better as interest rates on long-term securities peaked-out in September 1981.

At present, First Wisconsin has sold 40% of the long bonds in its portfolio and has purchased intermediate corporates instead, he said. This tactic was initiated to reduce volatility in addition to reducing the risk exposure due to the huge price appreciation in the portfolio.

The top performer for the one-year period ending Sept. 30 was Commerce Union Bank, with a return of 47.7%; for the 10-year period ending Sept. 30 the fund had a compound annual return of 9.3%. The bank says it owes its success to "divorcing investment decisions from the emotions of the marketplace," said Weaver Barksdale, senior vp and director of fixed-income strategy.

Commerce Union's numbers have been consistent, with returns of 19.1% for the third quarter putting it in the number eight spot, a three-year compound annual return figure of 12.8% putting it in the number six spot, and a 9.4% compound annual return for the five-year period garnering tenth place.

Commerce Union uses a proprietary economic analysis system which is called business cycle dynamics, Mr. Barksdale said. This system is basically a top-down approach to looking at the bond market and enables the bank to do active bond management by adjusting maturity structures based on interest rate forecasts.

Since the third quarter of last year, Commerce Union's portfolio has consisted of 70% long-term Treasuries and 30% zero-coupon issues, including stripped Treasuries, he said.

The average maturity of the portfolio has been 30 years since that time. ■

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Money movers

Philadelphia commits to home mortgages

PHILADELPHIA—The board of pensions for the $847 million Philadelphia Municipal Pension Fund is planning to invest $20 million in its second residential mortgage program.

The target would be 30-year conventional mortgages on one- to four-family dwellings in Philadelphia with minimum down payments of 10% and a 3% limit on points charged at settlement.

Twelve local banks and savings and loans would bid for the mortgage money and distribute it to home buyers citywide, said a board member. The borrower's rate is pegged to the 30-year Ginnie Mae certificate.

In mid-November, the borrower would have paid 13.25% and the pension fund would have earned about 12.5%.

The spread covers fees for banks, central servicer and administration.

Mortgage rates at Philadelphia banks were slightly more than 13% in mid-November, so consumer demand may not be as high as July 1981, the first time the pension fund put $20 million into local mortgages and made 14⅛% mortgage loans when most banks were charging more than 16%. Still, the new money is expected to go in 30 to 45 days. Contenders for central servicer are Salomon Brothers, First Boston Corp., Mortgage Guaranty Insurance Corp. (MGIC) and First Federal Savings & Loan of Philadelphia.

The Federal National Mortgage Association (Fannie Mae) will act as trustee, providing liquidity: if the pension fund wants, it could resell the securities in the mortgage secondary market, said the board member. The city reaps $600,000 in transfer taxes and settlement charges.

Maine taps for stocks; picks Forstmann-Leff

AUGUSTA, ME.—The $450 million Maine State Retirement System appointed Forstmann-Leff Associates, New York, to serve as an aggressive equity manager for $20 million, according to Roberta Weil, executive director.

Times Mirror selects a new master trustee

LOS ANGELES, CA.—The Times Mirror Company has selected Citibank as its master trustee, according to a company spokesman.

Citibank will be master trustee for about 20 of the Times Mirror's pension funds, which contain assets of $185 million. Times Mirror decided to go the master trustee route to ease administrative complexities, said the spokesman.

Duke University fund adds 3 for balanced

DURHAM, N.C.—Duke University's $149 million endowment fund appointed Forstmann-Leff Associates, New York, NSR Asset Management, New York, and Funds Advisory Co., Houston, as balanced managers on Nov. 5, according to Stephen C. Harward, treasurer. The amounts to be allocated to each manager have not been decided yet. Mr. Harward said he will work them up to equal distribution as they are funded with new monies each quarter. Funds Advisory will be asked to concentrate on Sun Belt stocks.

Air Products adds 2 for bonds, equities

ALLENTOWN, PA.—Air Products & Chemicals Inc., with approximately $120 million in pension assets, has named Kingsley, Jennison, McNulty & Morse Inc. as an equity manager, and Wentworth, Hauser and Violich Inc. as a bond manager.

The San Francisco firms each received about $30 million.

Kingsley, Jennison, McNulty & Morse replaces David L. Babson & Co. Inc., Boston. Wentworth, Hauser and Violich received its money from The Boston Co. Institutional Investors, which continues as bond manager of about $30 million.

Retirement Research taps two for balanced

PARK RIDGE, IL.—The Retirement Research Foundation has chosen The Chicago Corp. and Lehman Management Co. Inc. to share equally in the balanced management of the $60 million foundation, according to Thomas Rogers, vp and treasurer. A.G. Becker Inc. was consultant in the manager search.

The foundation, recently acquired the $60 million through the sale of its sole asset: the Citizens Bank & Trust, Park Ridge, Mr. Rogers explained.

Federal Express adds 2 to handle equities

MEMPHIS, TN.—Federal Express has given $5 million to Fred Alger Asset Management, New York, and $4 million to Siebel Capital Management, Larkspur, Ca., to begin investing aggressively in equities for the $21 million pension fund in December, according to Vicki G. Hawkins, manager-finance. The $9 million the managers received was the 1981 fiscal contribution.

The company also put a $3 million contribution to its $28 million profit-sharing plan into a GIC with Lincoln National Life Insurance Co., Fort Wayne, In., locking in a 12.52% rate.

Meidinger Asset Planning Services, Atlanta, assisted Federal Express in both searches.

Binney & Smith adds Dreyfus Management

EASTON, PA.—Binney & Smith Inc. hired Dreyfus Management Inc., New York, to serve as a balanced manager for its $17 million pension fund, according to Charles Montgomery, secretary. The former manager, Shawmut Bank of Boston, continues to serve as trustee and custodian.

The bank managed the assets for seven years.

Butcher & Singer's Fiduciary Consulting Group aided in the search.

2 managers allocated Longview Fibre funds

LONGVIEW, WA.—Longview Fibre Co. has sliced in half the amount of its $31 million in assets managed by Bankers Trust, giving the money to two new managers in a bid for diversification and variety of style.

Raymond McDermott, vp-finance, secretary and treasurer, said IntraWest Bank of Denver (formerly First National Bank of Denver), and Rolley Nichols & Co. (a division of RNC Capital Management of Los Angeles), were given about $15.5 million each for equity accounts. Bankers Trust, the previous sole manager, still will manage half the assets in a balanced account, Mr. McDermott said.

Western Co. hires for thrift, pension plans

FORT WORTH, TX.—The Western Co. of North America's savings and thrift plan, and its TRASOP named a new master trustee; in addition, the company's pension fund has two new equity managers, said George Neill and Bob Boyd, both vps at the Western Co.

Managers added to the $12 million pension fund were Herbert R. Smith of Wichita Falls, Texas, and Massachusetts Financial Services, Boston, Ma. Each was given $3 million, $4 million of which came from the termination of Julian A. Lerner & Associates, Dallas. The remainder was fixed-income assets held by First National Bank of Fort Worth. RepublicBank Dallas replaced First National Bank of Fort Worth as master trustee for the TRASOP and savings and thrift plan, which total about $17 million. First National Fort Worth remains master trustee and money manager for the pension fund.

Baylor University adds 2 managers for funds

DALLAS—InterFirst Investment Management Inc. has been named investment manager, and RepublicBank Dallas, master trustee, for the retirement and survivors and disability plans at Baylor University Medical Center, a Baylor official confirmed. The plans' assets reportedly total about $10 million. The Baylor official declined to discuss details.

Harris Bretall added for profit-sharing plan

SAN FRANCISCO—American Building Maintenance Industries hired Harris, Bretall & McEldowney Inc., San Francisco, to serve as a balanced manager for its $5 million profit-sharing fund, according to a spokesperson. The fund was previously managed by Transamerica Investment Services Inc., Los Angeles. Bank of America serves as trustee.

First Union Bank hired by Rex Hospital Inc.

RALEIGH, N.C.—Rex Hospital Inc. moved a $4 million defined benefit plan to First Union Bank, Charlotte, N.C., to serve as balanced manager and trustee, according to sources. The assets were previously invested by First-Citizens Bank & Trust Company, Raleigh, N.C.

The hospital declined comment.

Motor Dealers choose first manager for fund

KANSAS CITY MO.—Research Management Associates in Kansas City, Mo., has become the first investment manager for the $4 million Motor Car Dealers Association of Greater Kansas City. Custodian is United Missouri Bank of Kansas City. Research Management will put all of the assets in a balanced account.

RepublicBank Dallas named master trustee

DALLAS—RepublicBank Dallas has been named master trustee and investment manager for the $2.5 million savings and thrift plan at Slaughter Brothers here, replacing Lakewood Bank & Trust in both capacities.

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PI

Inhouse pension funds . . .

Continued from page 2

vested solely in the stock of the companies with which the sponsor of the foundation was affiliated.

The General Electric Foundation, for example, which invests all of its $9 million in assets in GE stock, had a nine-month return of 35.4%.

Ironically, General Electric's $2.9 billion pension fund was down 0.2% for that period.

The second best performance, 32.9%, was achieved by the William and Flora Hewlett Foundation, which has all of its $258 million in Hewlett Packard stock.

The third best performance was from a $65 million portfolio of six stocks reported by Sears, Roebuck & Co., which was up 29%. The six stocks were DeSoto Inc., Roper Corp., Armstrong Rubber, Kellwood Co., Universal Rundle and Penn Central.

Following the Sears portfolio was the Gannett Foundation, which invested its $196 million solely in Gannett stock and gained 27.9% through the end of September.

The top endowment fund in the list was the $335 million Duke Endowment, which was up 10.1% for the nine months, and it was followed by the $2.339 billion University of California, up 9.2%, and the $108 million University of Pennsylvania endowment, up 3.8%.

The top pension fund was the $1.5 billion Ohio State Teachers fund, which was up 7.8% for the nine months, followed by the Texas Teachers fund, up 7.8%, the Wisconsin Investment Board, up 6.5%, the Ohio School Employees fund, up 5.7%, and the $3.4 billion California Public Employees equity fund, up 5.7%

The best corporate pension funds were the Gulf & Western Industries fund, up 4.7%, the Firestone pension fund, up 3.9%, and the Atlantic Richfield pension fund, up 3.8%.

Only one other pension fund, the Maryland State Retirement System, beat the Standard & Poor's index return of 2.8% over the nine months.

Large funds that underperformed the index for the period included the $162 million portfolio of GTE Investment Management Corp., which was up 1.0%, the $765 million AT&T index fund, which was up 1.5%, the $450 million Union Carbide Corp. fund, up 1.3%, and the $2.7 billion New York State Teachers fund, up 1.2%.

The $1.1 billion Bethlehem Steel pension trust's equity holdings were up 0.9%, while the General Electric pension funds' $2.9 billion equity portfolio was down 0.2%, Exxon's $1.2 billion fund was down 0.6%, and DuPont's $2.2 billion fund was down 1.7%.

The $767 million Harvard College endowment equity portfolio was down 4% for the nine months while the $158 million Cornell University endowment portfolio was down 9.5% and the University of Rochester's $226 million portfolio was down 16.6%.

The investment performance of each fund was calculated at the end of each quarter based on the holdings at the beginning of the quarter.

It does not allow for the impact of any transactions during the quarter.

It also is based solely on the equity holdings, and does not reflect the earnings from any short-term investments held.

According to Robert Levy, president of CDA, experience has shown that transactions within a quarter generally have minimal impact on the performance of a fund during that quarter. ■

C2710-2 1/24/83

Pensions &
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The newspaper of corporate and institutional investing • Special issue • Three dollars • January 24, 1983

Top 1,000 fund assets surge to $622 billion

NEW YORK—The assets of the 1,000 largest employee benefit funds surged to $622.6 billion as of Sept. 30, 1982, up $103 billion or almost 20% from the previous year.

This asset growth of the nation's largest non-federal pension, profit-sharing and thrift plans in just one year was almost two-thirds of the amount that will be pumped into the Social Security system in the next decade by the massive tax increases announced this month.

The non-federal asset growth came from both market appreciation of the assets and from employer contributions, and was net of benefit payments.

Once again, the assets of the smaller funds grew faster than the assets of the large funds. The total employee benefit assets of the 200 largest funds grew by 19.3%, to $469.3 billion from $393.5 billion, while the assets of funds ranked 201 to 1,000 grew by 21.8%, to $153.2 billion from $125.7 billion.

And public employee and union employee benefit funds grew faster than corporate funds, reflecting their heavier commitment to long-term bonds.

The 25 largest public employee funds grew to $156.6 billion from $128.3 billion, a gain of 22%, while the top 10 union funds (there are only 10 in the top 200) grew to $15.1 billion from $12.4 billion, a gain of 21.8%. The top 25 corporate funds, on the other hand, grew to $150.9 billion from $130.8 billion, a gain of only 15.3%.

The slower growth of the corporate plans reflected not only their greater commitment to equities, which for the year through September showed significantly lower returns than bonds, but also that several large funds had sought waivers of their annual contributions, or cut their contributions through higher actuarial assumptions made possible by dedicated bond portfolios.

These facts were obtained from *Pensions & Investment Age's* annual survey of the 200 largest employee benefit plans and listing of the next 800 plans.

The 1982 survey reports the total assets, pension assets, profit-sharing fund assets and thrift plan assets, as well as contributions and benefit payments of the 200 funds. The profiles of the 200 funds also include their asset mix, their use of such investment alternatives as foreign investing, real estate and venture capital, and lists their money managers.

The survey showed:

- Real estate equity investments reported by top 200 funds were double those of 1981.
- The number of top 200 funds investing in oil and gas doubled, while the number investing in venture capital projects increased by 40%.
- The number of top 200 funds managing assets in-house increased from 100 to 119 and the assets managed internally jumped by 23%.
- Twenty-five funds established dedicated bond portfolios for their pension obligations in 1982, and 70 use guaranteed investment contracts.
- Sixty-seven of the top 200 funds now invest $3.7 billion internationally.

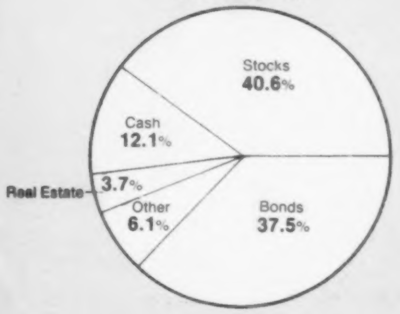
Of the $469.3 billion in employee benefit assets controlled by the 200 largest funds, $419.3 billion was held in pension funds, with the remainder divided between profit-sharing plans and employee thrift or savings plans.

The amazing growth of the funds in the past year is reflected in the fact that there are now 127 funds with assets of

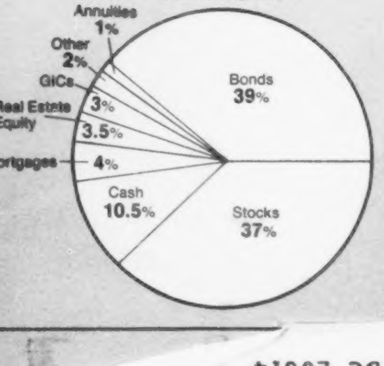
Continued on page 25

TOP 200 FUNDS
Asset Mix

1981
(Year ending 9/30)



1982
(Year ending 9/30)



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The top 100 funds ranked by total assets

(Assets in $ millions)

1.	AT&T	45,600
2.	New York State Common	16,968
3.	New York City Systems	15,953
4.	General Motors Corp.	15,800
5.	California Public	13,507
6.	New York State Teachers	9,975
7.	General Electric Co.	9,368
8.	Texas Teachers System	7,313
9.	California State Teachers	7,298
10.	IBM	6,986
11.	Ford Motor Co.	6,611
12.	Michigan State Employees	6,339
13.	Ohio Public Employees	6,291
14.	Wisconsin Board	6,184
15.	Ohio Teachers	6,176
16.	N.J. Division of Investment	6,150
17.	E.I. du Pont de Nemours	6,143
18.	North Carolina Retirement	6,073
19.	U.S. Steel & Carnegie	5,566
20.	Exxon Corp.	5,510
21.	Florida Board	4,659
22.	Pennsylvania School	4,230
23.	Minnesota Board	4,088
24.	GTE Corp.	3,900
25.	Teamsters, West	3,789
26.	Teamsters, Central States	3,721
27.	Eastman Kodak Co.	3,665
28.	Washington State	3,557
29.	Mobil Oil Corp.	3,500
30.	Rockwell International	3,500
31.	Los Angeles County	3,402
32.	Oregon Public Employees	3,400
33.	United Technologies Corp.	3,325
34.	Georgia State Systems	3,208
35.	Boeing Co.	3,200
36.	Shell Oil Co.	3,172
37.	Sears, Roebuck & Co.	3,056
38.	Alabama System	3,017
39.	Pennsylvania State	3,008
40.	Illinois Teachers' System	2,890
41.	Maryland State Systems	2,890
42.	Westinghouse Electric	2,815
43.	McDonnell Douglas Corp.	2,778
44.	Colorado Public	2,760
45.	Lockheed Corp.	2,729
46.	Standard Oil, California	2,645
47.	U.N. Joint Staff	2,600
48.	Virginia Supplemental	2,600
49.	United Air Lines Inc.	2,510
50.	Arizona State System	2,323
51.	Standard Oil Co. (In.)	2,320
52.	Tennessee Consolidated	2,275
53.	Atlantic Richfield Co.	2,100
54.	South Carolina System	2,100
55.	Union Carbide Corp.	2,051
56.	Caterpillar Tractor	2,020
57.	Bethlehem Steel Corp.	2,000
58.	Connecticut Systems	2,000
59.	General Dynamics Corp.	2,000
60.	Prudential Insurance Co.	1,982
61.	Ma. Employees-Teachers	1,942
62.	United Mine Workers	1,912
63.	Hughes Aircraft Co.	1,898
64.	Monsanto Co.	1,800
65.	Iowa Public Employees	1,775
66.	Texaco Inc.	1,720
67.	Texas Employees	1,712
68.	Hawaii Employees	1,700
69.	RCA Corp.	1,700
70.	Gulf Oil Corp.	1,642
71.	Metropolitan Insurance	1,600
72.	Phillips Petroleum Co.	1,599
73.	Louisiana Teachers	1,574
74.	Sperry Corp.	1,551
75.	American Airlines	1,500
76.	Goodyear Tire & Rubber	1,500
77.	Pacific Gas & Electric Co.	1,500
78.	Detroit Systems	1,490
79.	Missouri Public School	1,467
80.	Trans World Airlines	1,412
81.	Illinois Municipal	1,400
82.	Bendix Corp.	1,387
83.	Aluminum Co. of America	1,384
84.	Procter & Gamble Co.	1,377
85.	Utah State Systems	1,375
86.	Kansas Public Employees	1,359
87.	International Harvester	1,313
88.	Conoco Inc.	1,300
89.	IBEW	1,282
90.	Chicago Teachers Fund	1,280
91.	Chrysler Corp.	1,270
92.	ITT	1,265
93.	Armco Inc.	1,259
94.	Mississippi Public	1,240
95.	San Francisco City-County	1,229
96.	Ohio Police & Firemen	1,228
97.	Illinois Board	1,221
98.	LTV Corp.	1,204
99.	J.C. Penney Co.	1,204
100.	Xerox Corp.	1,204

Additional rankings are on page 27

Pension liability rules

Accounting proposals draw warnings from consultants

By Ivy Schmerken

NEW YORK—New pension accounting regulations proposed by the Financial Accounting Standards Board might dramatically affect the apparent financial health of most large companies and cause second thoughts about defined benefit plans. In a formal statement issued in mid-January, the FASB proposed that corporations be required to show a measure of their net pension liability on their balance sheets. Pension obligations are now reported only as footnotes.

The proposals were made in a statement of the FASB's preliminary views on accounting for pensions. An exposure draft of the final proposal will be published in 1984 and the final statement will become effective in 1985.

The proposals were not unexpected (*Pensions & Investment Age*, Nov. 8), and several consulting firms warned of the effects in comments to the FASB.

According to Buck Consultants, the addition of the pension obligations to the balance sheet "could affect debt/equity ratios and other major indicators of financial position."

The change could drastically alter perceptions of the value of many businesses and upset relative values of investments, according to Anna Rappaport, senior consultant, William M. Mercer Inc.

The proposal applies to all corporations that sponsor non-contributory defined benefit plans for their U.S. employees.

Under the rules, an employer with a defined benefit plan would include two pension-related items in its statement of financial position:

- The net pension liability. This is defined as the pension benefit obligation, less the net assets available for benefits, plus or minus a measurement valuation allowance.

The pension benefit obligation is defined as the actuarial present value of the accumulated benefits attributed to employee service to the date of the financial statements.

Continued on page 80

Minnesota SBI names 15 in move to external advisers

By Linda Savage Ruhe

MINNEAPOLIS—The $5 billion Minnesota State Board of Investment has hired 15 equity managers to manage $590 million of its assets, according to Howard Bicker, executive director.

These are the first outside managers the investment board has hired since it was formed in 1960.

Eleven of the managers have been assigned $50 million each: IDS Advisory Group, Minneapolis; Investment Advisers, Minneapolis; Fred Alger Management Co. Inc., New York; Alliance Capital Management, Minneapolis; Beutel Goodman Capital Management, Ltd., Houston; Forstmann-Leff Associates, New York; Hellman, Jordan Management Co. Inc., Boston; Loomis Sayles & Co. Inc., Boston and Milwaukee offices; Siebel Capital Management, Larkspur, Ca.; Herbert R. Smith Inc., Wichita Falls, Tx.; and Trustee and Investors Co. Inc., Boston.

Four will receive $10 million each: Northwestern National Bank of Minneapolis; BMI Capital Management, New York; Lieber & Co., Harrison, N.Y.; and Research Management Associates Inc., Kansas City, Mo.

Evaluation Associates Inc., Westport, Ct., was hired last August by the investment board to help with the manager selection.

State law, which prevented the board from hiring outside managers, was changed in the spring of last year providing the groundwork for the decision to go outside.

The selection of the managers follows quickly on the heels of the appointment of Mr. Bicker as director of the fund; he had served as acting director for the previous 15 months.

The $590 million to be turned over to the new managers will come from existing holdings in the portfolio as well as new contributions.

Continued on page 77

Questionnaires sent for investment adviser issue

Questionnaires for *Pensions & Investment Age's* annual investment adviser profiles issue, to be published April 4, have been mailed to more than 700 investment management firms.

The questionnaire seeks information on the amount of tax-exempt assets managed, investment approach, numbers and types of tax-exempt clients, and names of key personnel in the firms.

The Investment Adviser Profiles issue is used by many pension funds as a starting point in their search for money managers, and is also a source for industry statistics.

Any investment management firm which wishes to be profiled, but which has not received a questionnaire by January 26, should call Ms. Ivy Schmerken in the New York office. Her number is 212/210-0117.

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Vol. 11, No. 2—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Il. 60611. Second class postage paid at Chicago, Il. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Il. 60611. Copyright 1983.

Late news

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unavailable for comment, the managers hired reportedly include Baring International Investment Ltd., Daiwa International Capital Management, Fidelity International Investment Management, G. T. Capital Management, Morgan Grenfell Investment Services Inc., Nomura Capital Management and Schroder Capital Management International.

Master trustee hired

NEW YORK—Penn Central Corp. reportedly has selected Chase Manhattan Bank as master trustee for its more than $250 million in employee benefit assets, sources said. The majority of Penn Central's funds include assets from pension and savings plans for two subsidiaries, GK Technologies and Buckeye Pipe Line Co.

Trucksess resigns

NEW YORK—A major reorganization to consolidate the real estate businesses of Merrill Lynch & Co. apparently led James Trucksess Jr. to submit his resignation as executive vice president of Merrill Lynch Hubbard Dec. 31.

Mr. Trucksess came to Merrill last May from Citibank, where he had been senior vp in charge of real estate investment and management. Dennis J. Hess, president of Merrill Lynch Hubbard, said Mr. Trucksess will remain on an interim basis as a consultant.

Mr. Hess said the reorganization was not in the works when Mr. Trucksess moved to Wall Street last spring. Mr. Trucksess is leaving because his post within the newly formed and still embryonic firm called Merrill Lynch Realty Inc. "isn't as big as he wanted," said Mr. Hess.

PBGC deputy eyed

WASHINGTON—The administration is considering appointing Charles Tharp as deputy executive director of the Pension Benefit Guaranty Corp.

Mr. Tharp, who is working at the agency as a full-time consultant, most recently was a real estate manager for General Tire & Rubber Co.'s internally managed pension funds.

Air Products selects 1

ALLENTOWN, PA.—Air Products & Chemicals Inc. has selected Rowe-Price Fleming International Inc. to invest $8 million of its $130 million pension fund in world markets excluding the United States, according to William R. Reynolds, assistant treasurer.

Wyoming selects two

CHEYENNE, WY.—Wyoming Retirement System gave $20 million to Lehman Management Co., New York, and $5 million to Wyoming National Bank, Casper, in October to invest in fixed-income securities, according to Jeffery E. Gardner, assistant director.

CMS group acquired

TORONTO—Pension Finance Associates Ltd. has acquired Wood Gundy Limited's Comparative Measurement Service, Canada's leading portfolio investment performance measurement service group. Wood Gundy will play an active role in integrating CMS into Pension Finance Associates.

Grace appoints four

NEW YORK—The $350 million W.R. Grace & Co. pension fund appointed four new equity managers, William D. Witter Inc., Eberstadt Asset Management, Lehman Management Co. and Bessemer Trust Co., as of Jan. 1, according to R.B. Thomas, assistant treasurer. According to other sources, each manager received between $7 million and $10 million.

Russell Trust changes

TACOMA, WA.—Frank Russell Trust Co. replaced Oppenheimer Capital Corp. with Dillon, Read Capital to run $45 million of its $382 million commingled Equity I fund, according to Paul Kaltinick, president of the trust company. Timothy Dalton, president of Dillon, Read's new subsidiary since November, ran the money at Oppenheimer.

Eight firms run Equity I, the largest of seven commingled funds totaling $645 million.

In the Equity II fund, Jundt-Capen Associates Inc., Minneapolis, replaced St. Paul Advisers to manage $6 million of its $45 million total. Equity II invests in aggressive small capitalization stocks. James Jundt and Gary Capen managed it at St. Paul before starting their own firm in December. In addition, First Pacific Advisers was named to manage up to one-third of the $25 million Equity I Special Fund.

$3.5 billion targeted

NYC retirement fund to lend its securities

NEW YORK—The $18 billion New York City Retirement System probably will start lending a $3.5 billion to $4 billion portion of its portfolio soon, said Jack Meyer, deputy comptroller for the system.

While Mr. Meyer declined to be more specific on the target start-up date, he did say the New York City system will implement its securities lending program using Citibank, its fixed-income custody agent.

This will be the retirement system's first move into the securities lending area, he noted.

The New York City system will only be lending government bonds, Mr. Meyer stated. He said there is a high demand and thus a good return on lending in the market at this time due to the popularity of the new financial futures instruments for government bonds.

In addition, he said, there is a favorable risk/reward relationship for government bonds at this time, while this is not the case with other instruments such as corporate bonds or equities.

The move into lending probably will be put into place regardless of the fact that Mr. Meyer will be joining the Rockefeller Foundation as treasurer in February (*Pensions & Investment Age*, Jan. 10.)

As for getting into lending in general, Mr. Meyer said, "many people view securities lending as risky. But, if it is properly executed, the risk can be very small."

Proportionately, he noted, the return itself also can be very small.

"So, for a little bit of risk you get some return, and for us (at the retirement system) that's a favorable

Continued on page 6

Profiles: The top 200

Top funds' total assets surge 20% over 1981

Continued from page 1

$1 billion or more, compared with 97 the previous year. There are 59 funds with assets of more than $2 billion, compared with 49 in 1981, and there are 20 funds with $5 billion or more, up from 15 funds.

The asset mix of the top 200 funds showed a significant swing toward bonds and away from stocks in 1982. The funds that reported their asset mixes were 37% in equities and 39% in bonds as of Sept. 30, 1982, compared with 40.6% in equities and 37.5% in bonds as of the same date in 1981.

The top 200 funds also were 10.5% invested in cash equivalents, 3.5% in equity real estate, 4% in mortgages, 3% in GICs, 1% in annuities and 2% other assets.

The swing away from stocks and toward bonds was particularly apparent among corporate funds in the top 200. These funds were 47.5% in equities and 28.5% in bonds as of Sept. 30, 1982, compared with 51.6% in stocks and 24.3% in bonds in September 1981. The corporate funds were 10.5% in cash equivalents, 5% in equity real estate, 1% in mortgages, 3.5% in GICs, 1.5% in annuities and 2.5% in other investments.

The asset mixes are averages, and are not dollar-weighted.

Public funds and union funds both were invested more heavily in bonds than corporate funds, perhaps accounting for their faster asset growth in 1982. The 66 public funds in the top 200 were only 23% invested in equities (some are prohibited by law from investing in stocks), and were 57% invested in bonds.

They had 10% in cash equivalents, only 1.5% in equity real estate, 7.5% in mortgages, only 0.5% in GICs and annuities combined and 0.5% in other investments.

Union funds were 23% invested in common stocks and 33.5% in bonds, and they had the largest cash equivalent holdings at 15%.

They were 5% invested in equity real estate, 8% in mortgages, 10.5% GICs, 4% annuities and 1% other investments.

Despite the poor real estate market in 1982, the amount of assets invested in equity real estate by the top 200 funds almost doubled to $12.7 billion from $6.8 billion in 1981.

In 1982, 105 funds reported real estate equity investments, compared with 65 the previous year.

In addition, 66 funds reported mortgage investments of $20.6 billion.

The trend toward in-house asset management continued among the top 200 funds in 1982, and as of Sept. 30, 119 of the top 200 funds managed $199.1 billion, or 42.4% of their total employee benefit assets, internally.

In 1981, 100 funds managed $161.2 billion internally.

Of the $199.1 billion managed internally, $56.6 billion was invested in common stocks, $118.3 billion was in bonds and $18.8 billion was in cash equivalents.

The asset mix reflects the fact that the largest in-house funds are primarily public employee funds. There is only one corporate fund among the top 10 funds.

The largest in-house fund was the New York State Common Retirement Fund.

Of that fund's $14.5 billion in assets, $2 billion was in common stocks, $11.3 billion in fixed income and $1.2 billion in cash equivalents.

In 1981's survey, the California Retirement Systems was the largest in-house fund.

But as of Jan. 1, 1983, the California Teachers Retirement System is being split off from the California Public Employees Retirement System, and so they are counted as two funds in this survey.

The California Public Employees Retirement System was the second largest in-house fund this year with assets of $13.5 billion, while the California Teachers fund ranked sixth with assets of $7.2 billion.

> *The slower growth of corporate plans reflected not only a greater commitment to equities, but also contribution waivers and cuts due to actuarial assumption changes*

The largest in-house corporate fund was that of General Electric Co., which had assets of $7.4 billion and ranked fourth.

Despite the bear markets around the world and the strength of the dollar, the number of top 200 funds investing internationally increased in 1982 to 67 from 51 the previous year, and the amount of assets committed to international investing rose to $3.8 billion from $2.5 billion.

Of the total, $2.3 billion is in equities and $903 million is in fixed income investments.

The United Nations Joint Staff Pension Fund still has the largest international commitment at $910 million, followed by International Business Machines with $445 million.

The search for diversification and higher returns carried more top 200 funds into oil and gas and venture capital investments in 1982 also.

Thirty-eight funds reported venture capital investments in 1982, compared with 27 in 1981, while 20 funds reported oil and gas investments, compared with 10 in 1981.

The number of funds using index funds, which try to match the results of a particular market index by buying the stocks in the index, increased in 1982 to 39 from 34 the previous year, and indexed assets increased to $16.1 billion from $13.8 billion, suggesting that funds still are being won over to the argument that passive investing for at least part of their equity assets makes sense.

American Telephone & Telegraph had by far the greatest amount of assets indexed, $4.8 billion, followed by the New York State Common Retirement Fund, $2 billion, and the New York City Retirement System $1.42 billion.

High interest rates in 1982 increased interest in guaranteed investment contracts and dedicated bond portfolios.

Seventy funds reported using GICs, investing $11.4 billion through them, up from 62 funds with $9.4 billion invested in 1981.

Twenty-five funds reported dedicated bond funds—in which bond portfolios are structured to match specific liabilities as they fall due—and the assets in such funds totaled $5.2 billion. Dedicated bond fund assets were less than $1 billion in 1981.

International Harvester Co. was reported to have dedicated $1.3 billion, all of its pension assets. The Indiana State Teachers dedicated $680 million, the Firestone Tire & Rubber Co. dedicated $495 million, Gulf Oil dedicated $394 million and McDermott Inc. dedicated $390 million.

The number of funds making use of hedging devices continued to increase in 1982.

Forty-one funds reported using options programs, compared with 39 in 1981. Among them were the Alabama Retirement Systems, AT&T, Armco Inc., General Foods Corp., General Telephone & Electronics Corp., Dow Chemical Co. and Honeywell Inc. The number of employee benefit funds using financial futures in 1982 increased to a total of 1 from nine.

Included among funds using financial futures were Armco, Standard Oil of Indiana, Westinghouse Corp., Allied Corp., American Electric Power Company, Exxon Corp. and the Ohio Teachers Fund. ■

How P&I Age *got its data*

The information on employee benefit funds in this issue was developed in several stages.

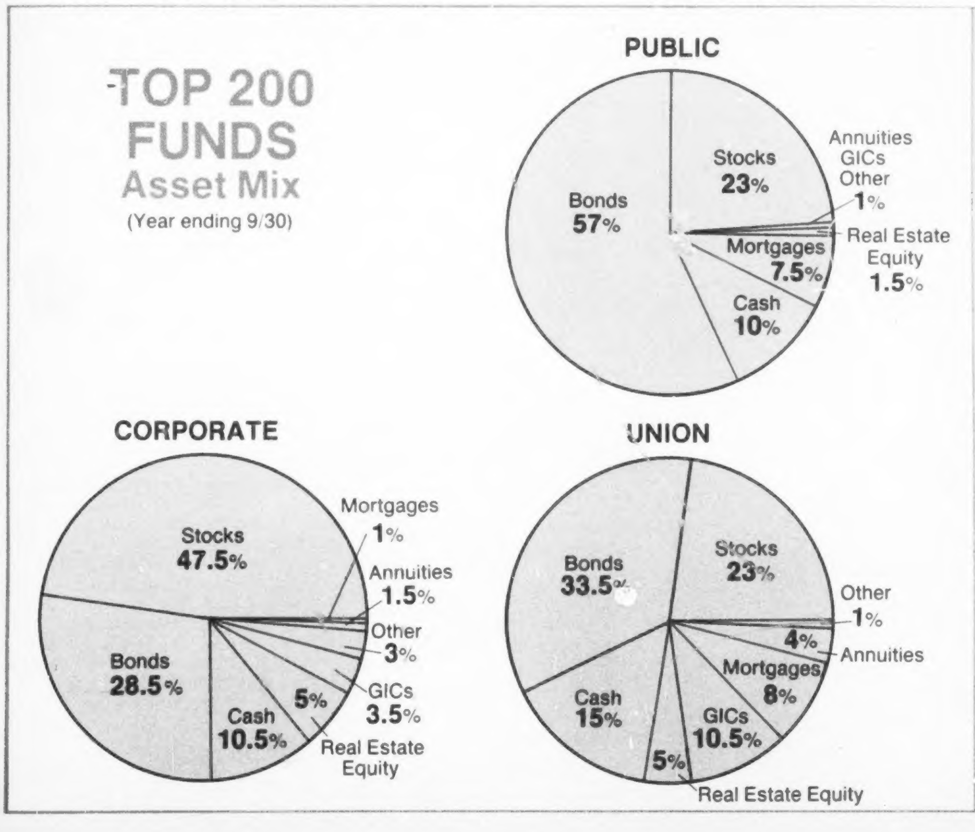
Money Market Directories Inc., Charlottesville, Va., which annually publishes detailed information on more than 10,000 tax-exempt funds, furnished *P&I Age* with the identities and asset values of approximately 1,100 fund sponsors. From this list the top 200 and the top 1,000 were identified.

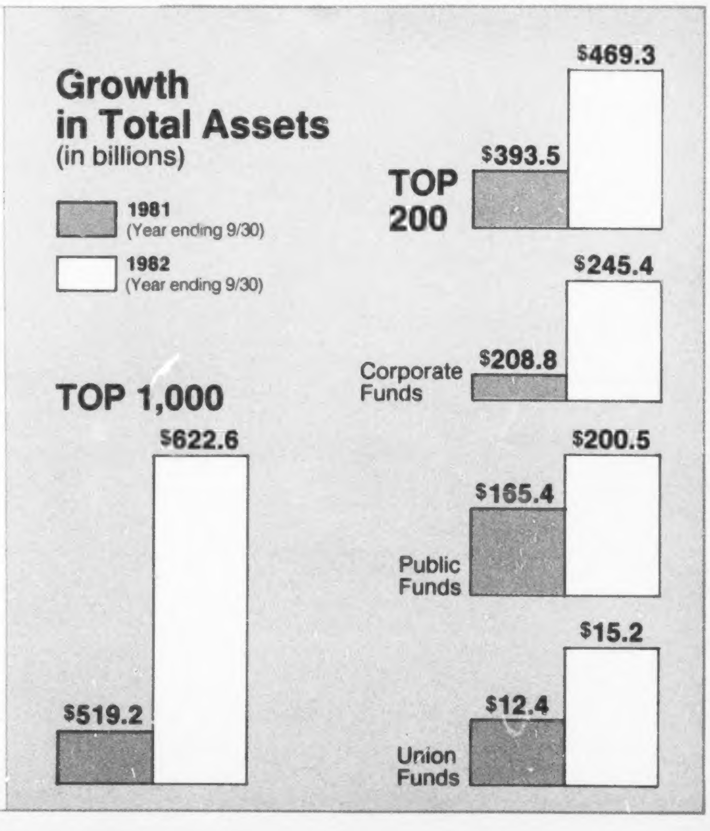
The more detailed information for the profiles of the top 200 funds (beginning on the next page) was obtained from questionnaires and personal interviews with officials of those funds.

In most cases the information reflects the operations of the funds as of Sept. 30, 1982, unless otherwise stated.

Where no information was available from the sponsor before deadline, data was taken from the 1983 Money Market Directory.

Money Market Directories Inc. is located at 300 East Market St., Charlottesville, Va. 22901.





A

Aetna Life and Casualty

	($ millions)
Total assets	975
Pension	731
Profit-sharing	na
Thrift or savings	244
Employer contributions	75
Benefit payments	49

HARTFORD, CT.—All of Aetna Life's pension and thrift plan assets are managed internally.

The asset mix of the pension fund as of Sept. 30, 1982, was 43% equities, 1.7% bonds, 3.7% cash equivalents, 5.6% equity real estate, 1.2% mortgages, 2.7% in foreign security markets, 4.7% in a long-term guaranteed investment contract and 37.4% in the company's general account.

The thrift plan assets were 57.7% in company stock, 7.2% in other stocks, and 35.1% in other investments.

The company had $19.8 million invested in foreign markets for its pension fund.

Donald G. Conrad, executive vp and chief financial officer, John C. Lang, vp and treasurer, and Peter G. Russell, vp, bond investment department, oversee the fund.

Alabama Retirement System

	($ millions)
Total assets	3,017
Pension	3,017
Profit-sharing	na
Thrift or savings	na
Employer contributions	243
Benefit payments	153

MONTGOMERY, AL.—Changes peppered 1982 for the Alabama Retirement System. In September, an Alabama Supreme Court ruling threatened the ability of the funds to make certain investments, including some already made by the fund. The system asked for a reconsideration of the ruling.

In April, the system launched an in-state residential mortgage program that utilized growing equity mortgages, with an initial commitment between $25 million and $40 million. The system also committed $11 million to mortgage pass-through certificates, and in August put $45 million into Maggie Mae certificates. The system was the first public fund to set up an in-house managed individual retirement account program for its employees.

The Alabama Retirement System's assets grew to more than $3 billion, an 18% growth from 1981's total of about $2.5 billion.

As of Sept. 30, 1982, the asset mix was 3.5% stocks, 55.4% bonds, 8.7% cash equivalents, 0.2% real estate equity and 32.2% mortgages. The entire pension fund is managed in-house, with about 3.4% in equities, almost 88% in fixed income, and a little more than 8.6% in short-term.

The system uses options as a hedging device.

David G. Bronner, secretary-treasurer, Gary Partridge, director of equities, and Cheryl Duke and Hunter Reaves, directors of fixed income, are the key people overseeing the investment of the fund.

Alaska State Retirement System

	($ millions)
Total assets	1,161
Pension	1,161
Profit-sharing	na
Thrift or savings	na
Employer contributions	139
Benefit payments	50

JUNEAU, AK.—Pension assets increased 22% for the Alaska State Retirement System for the 12-month period ending in September. Peter A. Bushre, deputy commissioner of finance, said part of the reason for the significant increase in assets was the "fantastic" increase in bond prices during part of the third quarter.

The system includes the teachers' pension fund with $481 million in assets, and the employees' fund with the remainder. The system has not changed its equity advisers, which are Alliance Capital and Morgan Guaranty.

However, a little more than $1 billion in assets is managed in-house, with 85% in fixed income, and 15% in short-term. The fund also has about $45 million in gold.

At the end of September, the asset mix of the fund was 8% stocks, 38% bonds, 13% cash equivalents, 5% equity real estate, 32% mortgages and 4% gold. The system invests in equity real estate through four commingled real estate funds with insurance companies, which are Aetna, Equitable, John Hancock and Prudential.

Custodian for the fund is Bank of America. The fund uses financial futures as a hedging device.

Besides Mr. Bushre, key personnel in charge of the fund are Michael J. Riley, investment officer, and Richard E. Alexander, investment officer.

Allied Corp.

	($ millions)
Total assets	1,000
Pension	na
Profit-sharing	na
Thrift or savings	na
Employer contributions	na
Benefit payments	na

MORRISTOWN, N.J.—Allied Corp. was unable to provide a breakdown of its total employee benefit assets between pension and profit-sharing assets by press time.

Allied invested its first $25 million in foreign equities in 1982 through managers Morgan Grenfell Investment and Kleinwort Benson International Investment. Allied also moved its index fund, which grew 14.3% to $80 million in 1982, from Batterymarch Financial Services to Bankers Trust Co.

By Oct. 31, Allied's total employee benefit assets had grown 25% from the previous year's total of $800 million. In-house fund managers run one-fifth of the total themselves—25% in stocks and 75% in bonds.

Allied's pension assets were 55% in equities, 35% in bonds, 5% in cash equivalents and 5% in various alternative investments in September. Profit-sharing assets were split 44% in Allied stock, 12% in stock of other firms and 44% in GICs.

Outside equity managers are Delaware Investment Advisers; Lord, Abbett; MacKay-Shields; Capital Guardian Trust Co.; Lynch & Mayer; Verus Capital; and Froley-Revy. Morgan Guaranty manages bonds, the Equitable Life Assurance Co. manages real estate and Balch, Hardy & Scheinman handles options. Allied also uses financial futures and venture capital investments.

Northern Trust is the master trustee for the pension fund and State Street Bank & Trust Co. is master trustee for Allied's stock purchase and saving plans. The firm set up a 401(k) plan in 1982.

The Allied pension investment committee is Edward T. Tokar Jr., director of investments; Harold W. Buirkle, senior vp, planning and finance; Nicholas A. Cameron, vp, finance; William F. Loftus, treasurer; and Arthur H. Brockie, director, investor relations.

Aluminum Co. of America

	($ millions)
Total assets	1,384
Pension	1,195
Profit-sharing	na
Thrift or savings	189
Employer contributions	190
Benefit payments	124

PITTSBURGH, PA.—Alcoa contributed 2.5 million shares of common stock in lieu of cash to its pension fund in mid-1982, making it first among several companies that took a similar path. The stock contribution was valued at about $55 million in mid-1982.

The company started a corporate individual retirement account program in 1982.

In 1982, Robert F. Slagle, formerly general manager, technology marketing, was elected treasurer. He succeeded C.E. Pfeifer, who left the company.

The fund increased its total employee benefit assets 20.4% during the 12 months ending Sept. 30, 1982, when the market value of all employee benefit assets stood at $1,384 million.

Of the total, $1,195 million was pension assets. About $150 million of that was indexed and $30 million was invested in guaranteed investment contracts. Another $11 million was in foreign investments, with 18% in foreign equities and 82% in foreign fixed income.

On Sept. 30, the pension fund was invested 51% in stocks; 29% in bonds; 10% in cash equivalents; 8% in real estate, and 2% in mortgages.

The company also had $189 million in thrift or savings plan assets.

The fund's advisers for equity investments are: Fred Alger Asset Management; Brundage, Story and Rose; Capital Guardian Trust Co.; Crocker Investment Management Corp.; Frontier Capital Management; Hathaway & Associates; Morgan Guaranty Trust Co.; Pioneering Management Corp.; Fayez Sarofim & Co.; Stralem & Co.; and Wells Fargo Investment Advisors.

Bond managers are Fischer, Francis, Trees & Watts Inc.; Massachusetts Financial Services Co.; Mellon Bank, N.A.; and Morgan Guaranty Trust Co.

Real estate managers are Equitable Life Assurance; John Hancock Mutual Life Insurance; Coldwell Banker; and Rosenberg Real Estate Equity Fund.

Metropolitan Life Insurance and Travelers Insurance handle GICs.

The fund also used venture capital as an alternative investment vehicle, using Capital Management Services (Sequoia Funds); Dillon Reed (Concord Fund); and Kohlberg, Kravis & Roberts.

Mellon Bank is master trustee.

Key personnel for the fund are Joseph C. Pellegrino, assistant treasurer and pension fund manager; Richard J. Forster, manager pension fund investment analysis; and Donna S. Barr, administrative assistant.

American Airlines

	($ millions)
Total assets	1,500
Pension	1,500
Profit-sharing	na
Thrift or savings	na
Employer contributions	110
Benefit payments	na

DALLAS—American Airlines' pension fund started a $250 million dedicated bond portfolio in 1982, terminating three managers in the process—INA Capital, Penmark and Redwood. The $1.5 billion fund also hired options managers earlier in the year.

In addition to the bond dedication, which is handled internally, American has $70 million it actively manages in-house. About $35 million of the in-house-managed assets are in equities, and the remainder is in fixed income.

Another $30 million is invested in GICs. About $50 million is in international investments, $40 million of which is in foreign equities and the remainder is in foreign fixed income.

The asset mix as of Sept. 30 was 33% stocks, 52% bonds and 15% cash equivalents.

Balanced domestic managers include Capital Guardian, Brown Brothers Harriman, Vilas Fischer, RepublicBank Dallas, First National Bank of Boston, Citi-Investments, Alliance Capital and Aetna. Foreign balanced managers are Morgan Grenfell, Rowe Price Fleming, and N.M. Rothschild.

RepublicBank Dallas is master trustee.

J.C. Pope is vp and treasurer, William F. Quinn, assistant treasurer, E.C. Frohboese, internal investment manager and Cynthia Holman, senior investment analyst.

American Can Co.

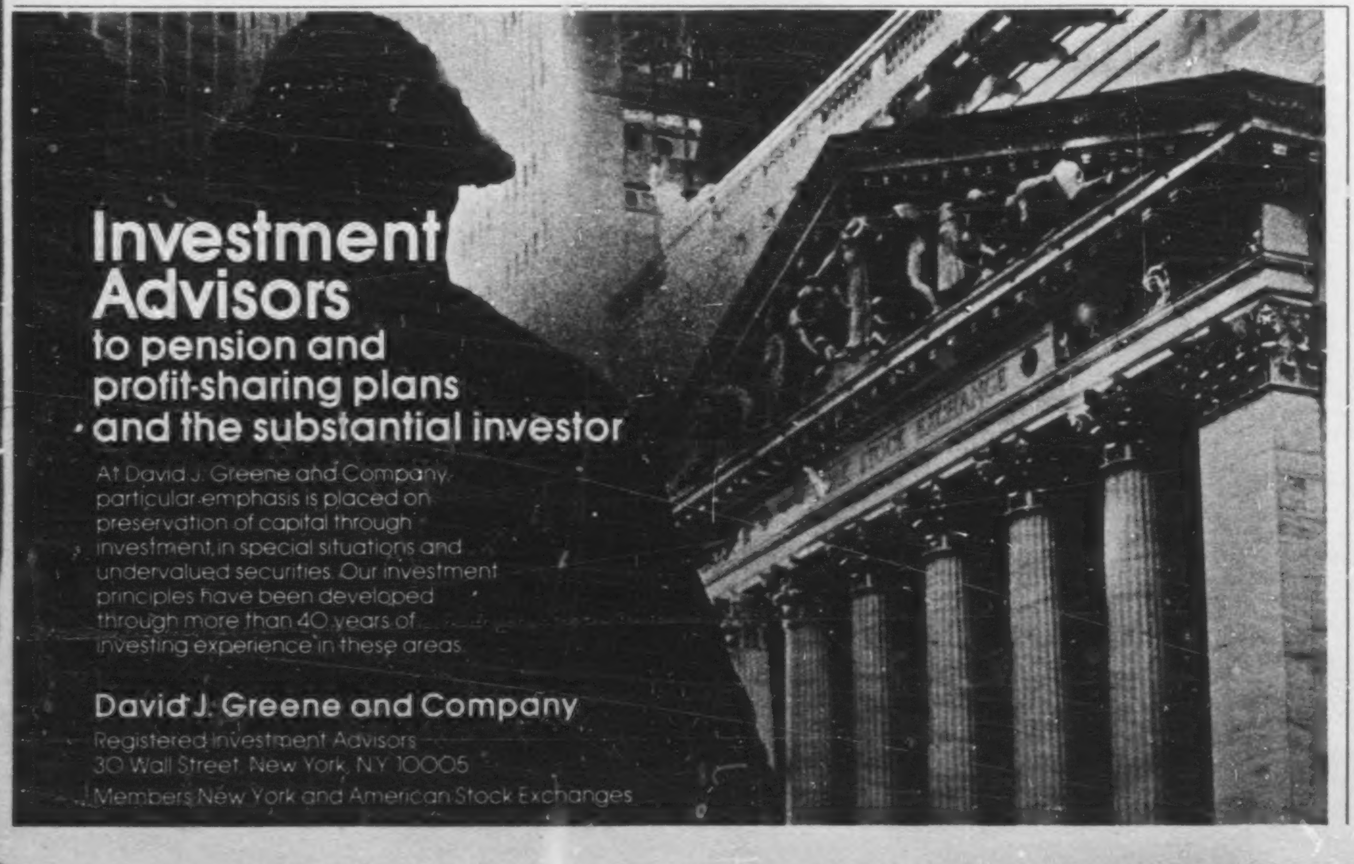
	($ millions)
Total assets	818
Pension	733
Profit-sharing	21
Thrift or savings	64
Employer contributions	129
Benefit payments	75

GREENWICH, CT.—In 1982 American Can set up $193.8 million in dedicated bond portfolios with Salomon Brothers, the Equitable Life Assurance Co. of the U.S. and Bankers Trust Co., its master trustee.

Total employee benefit assets grew by 9.3%. The firm markedly increased its position in fixed-income instruments for its pension fund, to 28.1% of the total; the equities portion is 30% and GICs is 26%. The rest is 6.7% cash equivalents, 4% equity real estate and 5.2% in other vehicles. Profit-sharing assets are 18% in stocks not American Can, and 82% in other investments, namely GICs and miscellaneous securities.

The fund has $17.3 million invested in international assets, with $14.4 million in equities and $2.9

Continued on page 30



Investment Advisors
to pension and profit-sharing plans and the substantial investor

At David J. Greene and Company particular emphasis is placed on preservation of capital through investment in special situations and undervalued securities. Our investment principles have been developed through more than 40 years of investing experience in these areas.

David J. Greene and Company
Registered Investment Advisors
30 Wall Street, New York, N.Y. 10005
Members New York and American Stock Exchanges

Top 200 funds/sponsors

(Assets in millions)

Continued from page 1

No.	Fund/sponsor	Assets
101.	TRW Inc.	1,202
102.	Deere & Co.	1,200
103.	Delta Air Lines Inc.	1,200
104.	Eastern Air Lines	1,200
105.	Tenneco Inc.	1,196
106.	Ohio School Employees	1,172
107.	Alaska State System	1,161
108.	Illinois Universities	1,160
109.	General Foods	1,150
110.	Pan Am	1,148
111.	United Methodist Church	1,107
112.	Dow Chemical Co.	1,105
113.	Signal Companies Inc.	1,100
114.	Kentucky Teachers	1,098
115.	Dart & Kraft Inc.	1,084
116.	Greyhound Corp.	1,083
117.	Indiana Public Employces	1,083
118.	Sun Co. Inc.	1,080
119.	Boilermakers, Blacksmiths	1,075
120.	Republic Steel Corp.	1,045
121.	Standard Oil Co. (Oh.)	1,040
122.	Cities Service Co.	1,030
123.	L.A. City Fire and Police	1,028
124.	TVA	1,020
125.	Inland Steel Co.	1,009
126.	Owens-Illinois	1,006
127.	Allied Corp.	1,000
128.	International Paper Co.	990
129.	R.J. Reynolds Ind.	983
130.	Aetna Life and Casualty	975
131.	Grumman Corp.	953
132.	Southern Baptist	947
133.	Consolidated Edison Co.	939
134.	Kentucky Systems	935
135.	Martin Marietta Corp.	925
136.	Union Oil Co. of California	911
137.	Firestone Tire & Rubber	908
138.	Louisiana State	901
139.	Marathon Oil Co.	900
140.	Los Angeles City	896
141.	3M	887
142.	Commonwealth Edison	876
143.	Textron Inc.	872
144.	Bakery, Confectionary	845
145.	The Southern Co. System	831
146.	National Steel Corp.	828
147.	West Virginia Employees	820
148.	American Can Co.	818
149.	Honeywell Inc.	813
150.	Travelers Corp.	810
151.	McDermott Inc.	805
152.	Continental Group Inc.	803
153.	Citibank	785
154.	Celanese Corp.	780
155.	Nevada Public Employees	777
156.	Southern California Edison	773
157.	Hercules Inc.	760
158.	FMC Corp.	753
159.	Operating Engineers	752
160.	Raytheon Co.	750
161.	PPG Industries Inc.	746
162.	Reynolds Metals Co.	727
163.	Chicago Municipal	717
164.	Oklahoma Teachers	716
165.	Getty Oil Co.	710
166.	John Hancock Insurance	700
167.	World Bank Staff	700
168.	National Rural Electric	690
169.	United Presbyterian	678
170.	CIGNA Corp.	655
171.	Bechtel Power Corp.	650
172.	Marine Engineers	643
173.	Indiana State Teachers	642
174.	Halliburton Co.	635
175.	S. New England Telephone	635
176.	Motorola Inc.	627
177.	Philadelphia Mutual	622
178.	L.A. Water and Power	618
179.	City of Milwaukee	612
180.	Arkansas Teacher System	611
181.	Texas Instruments	610
182.	Baltimore System	607
183.	Eli Lilly & Co.	605
184.	Episcopal Ministers' Fund	600
185.	General Tire & Rubber	600
186.	Machinists, Aerospace	600
187.	New York Life	597
188.	Sandia National Labs	594
189.	Philip Morris Inc.	593
190.	Manville Corp.	580
191.	Litton Industries Inc.	579
192.	Montana Board	577
193.	Eaton Corp.	575
194.	Dresser Industries	565
195.	American Electric & Power	550
196.	Ashland Oil Inc.	546
197.	Garment Workers	545
198.	Batus Inc.	544
199.	Texas County, District	544
200.	New Mexico Educational	540
	TOTAL	**469,339**

Ranking of funds/sponsors 201-1,000

(Source: 1983 Money Market Directory)

No.	Fund/sponsor	Location	Assets ($ mil.)
201.	Merck & Co.	Rahway, N.J.	533
202.	Arkansas P.E.R.S.	Little Rock	532
203.	Abbott Labs	Chicago	528
204.	B.F. Goodrich	Akron, OH	522
205.	Olin Corp.	Stamford, CN	516
206.	Lutheran Church	Minneapolis, MN	516
207.	Financial Inst.	White Plains, N.J.	515
208.	Whirlpool	Benton Harbor, MI	513
209.	New Mexico Public	Santa Fe	513
210.	Crown Zellerbach	San Francisco	513
211.	Manufacturers Hanover	New York	508
212.	Rohm & Haas	Philadelphia	508
213.	Warner Lambert	Morris Plains, N.J.	502
214.	Natl. Auto Dealers	McLean, VA	502
215.	Federated Dept.	Cincinnati	502
216.	Colgage-Palmolive	New York	501
217.	Michigan Employees	Lansing, MI	500
218.	Eaton Corp.	Cleveland, OH	500
219.	General Tire	Akron, OH	500
220.	Standard Oil (Oh.)	Cleveland	499
221.	Chicago Police	Chicago	496
222.	Idaho P.E.R.S.	Boise, ID	494
223.	American Cyanamid	Wayne, N.J.	490
224.	Scott Paper Co.	Philadelphia	482
225.	Columbia Gas	Wilmington, DE	469
226.	Kennecott Corp.	Stamford, CT	467
227.	Houston Retirement	Houston	463
228.	Maine State	Augusta, ME	461
229.	A&P Tea Co.	Montvale, NJ	459
230.	Amer. Express	New York	459
231.	Kaiser Aluminum	Oakland, CA	459
232.	Colt Industries	New York	458
233.	Machinists, Natl.	Washington	453
234.	Jewel Co.	Chicago	450
235.	Upjohn Co.	Kalamazoo, MI	450
236.	Mead Corp.	Dayton, OH	450
237.	Florida P&L	Miami	448
238.	Carpenters N. Cal.	San Francisco	448
239.	Oklahoma Employees	Oklahoma City	445
240.	Bristol-Myers	New York	442
241.	Dana Corp.	Toledo, OH	440
242.	Food, Comm'l. Workers	Inglewood, CA	438
243.	Operating Eng. #3	San Francisco	435
244.	Electrical Man.	Flushing, NY	435
245.	Operating Engineers	Pasadena, CA	428
246.	ARAMCO Serv. Co.	Houston	427
247.	Borg-Warner Corp.	Chicago	424
248.	Brown & Root Inc.	Houston	423
249.	Safeway Stores	Oakland, CA	422
250.	IBEW	Washington	421
251.	Equitable	New York	421
252.	PBGC	Washington	420
253.	The Budd Co.	Troy, MI	419
254.	Pacific Lighting	Los Angeles	416
255.	American Standard	New York	414
256.	Food, Comml Workers	Walnut Creek, CA	412
257.	Consolidated Nat. Gas	New York	407
258.	Union Pacific Corp.	New York	406
259.	Operating Engineers	Seattle	406
260.	United Church of Christ	New York	405
261.	Corning Glass Works	Corning, NY	405
262.	Consumers Power	Jackson, MI	404
263.	Ashland Oil	Russell, KY	403
264.	Weyerhaeuser	Tacoma, WA	402
265.	Ariz. Public Safety	Phoenix, AZ	400
266.	Timken Co.	Canton, OH	400
267.	United Tele.	Shawnee Mission	400
268.	Pfizer Inc.	New York	397
269.	CBS Inc.	New York	397
270.	New England Teamsters	Boston	393
271.	Cook County Funds	Chicago	393
272.	Wheelabrator-Frye	Hampton, NH	389
273.	Boise Cascade	Boise, ID	386
274.	Times Mirror	Los Angeles	386
275.	Wayne County Sys.	Detroit	384
276.	Phil. Electric	Philadelphia	383
277.	Delaware State	Dover, DE	382
278.	NCR Corp.	Dayton, OH	380
279.	Schlumberger Ltd.	New York	378
280.	Household Intl.	Prospect Heights, IL	378
281.	Burroughs Corp.	Detroit	374
282.	Army & Air Force Ex.	Dallas	373
283.	Wyoming System	Cheyenne, WY	372
284.	Burlington Ind.	Greensboro, NC	370
285.	CIBA-Geigy Corp.	Ardsley, NY	370
286.	General Mills	Minneapolis	370
287.	Nebraska Invest.	Lincoln, NE	368
288.	Polaroid Corp.	Cambridge, MA	367
289.	Niagara Mohawk Power	Syracuse, NY	366
290.	Georgia-Pacific	Atlanta	365
291.	Chase Manhattan	New York	363
292.	AMAX Inc.	Greenwich, CT	361
293.	Consolidated Rail	Philadelphia	360
294.	Hallmark Cards	Kansas City, MO	360
295.	Johnson & Johnson	New Brunswick, NJ	360
296.	Combustion Engr.	Stamford, CT	360
297.	Kimberly-Clark	Neenah, WI	356
298.	Longshoremen	New York	353
299.	Dun & Bradstreet	New York	352
300.	Hewlett Packard	Palo Alto, CA	352
301.	Cooper Industries	Houston	35[illegible]
302.	K Mart Corp.	Troy, MI	350
303.	Minneapolis Retirement	Minneapolis	350
304.	N.H. Retirement	Concord, NH	350
305.	Northwest Airlines	St. Paul, MN	350
306.	R.I. Retirement	Providence, RI	350
307.	Internorth Inc.	Omaha, NE	350
308.	Teamsters	Washington	350
309.	Middle S. Utilities	New Orleans	350
310.	N.D. Investment Board	Bismark, ND	349
311.	Orange County Ret.	Santa Ana, CA	348
312.	United Parcel Service	Greenwich, CT	346
313.	Sheet Metal Workers	Washington	344
314.	Kellogg Co.	Battle Creek, MI	342
315.	Cincinnati Retirement	Cincinnati	341
316.	Gulf & Western	New York	340
317.	SmithKline Beckman	Philadelphia	340
318.	Alameda County Ret.	Oakland, CA	339
319.	Nabisco Brands	Parsippany, NJ	335
320.	Denver Public School	Denver	331
321.	Westvaco Corp.	New York	330
322.	Chicago Transit	Chicago	330
323.	Duke Power	Charlotte, NC	330

Ranking of funds/sponsors 201-1,000

No.	Fund/sponsor	Location	Assets ($mil.)
324.	St. Regis Paper	New York	330
325.	Savings Banks Ret. Sys.	New York	330
326.	Western Air Lines	Los Angeles	330
327.	Hoffman-LaRoche	Nutley, NJ	330
328.	Avco Corp.	Greenwich, CT	328
329.	W.R. Grace	New York	326
330.	Fluor Corp.	Irvine, CA	326
331.	Campbell Soup	Camden, NJ	326
332.	American Red Cross	Washington	324
333.	Cincinnati Milacron	Cincinnati	322
334.	General Public Util.	Parsippany, NJ	320
335.	Allis-Chalmers	Milwaukee	316
336.	S.D. Retirement	Pierre, SD	315
337.	San Diego Retirement	San Diego	315
338.	Singer Co.	Stamford, CT	315
339.	N.Y. Carpenters	New York	315
340.	El Paso Co.	Houston	314
341.	Time Inc.	New York	314
342.	Libbey-Owens-Ford	Toledo, OH	313
343.	Luth. Church Missouri	St. Louis	310
344.	Farmland Ind.	Kansas City, MO	310
345.	Northeast Utilities	Hartford, CT	309
346.	Contra Costa Ret.	Martinez, CA	307
347.	Chicago Firemens' Fund	Chicago	305
348.	Winn-Dixie Stores	Jacksonville, FL	305
349.	American Brands	New York	303
350.	Continental Air Lines	Los Angeles	302
351.	Crane Co.	New York	301
352.	Electrical Workers IBEW	Los Angeles	300
353.	Occidental Petroleum	Los Angeles	300
354.	American Lutheran	Minneapolis, MN	300
355.	Ethyl Corp.	Richmond, VA	296
356.	Republic Airlines	Minneapolis	294
357.	Central & Southwest	Dallas	294
358.	Baltimore Gas & Elec.	Baltimore	293
359.	Teamsters Local #959	Anchorage, AK	292
360.	Beatrice Foods	Chicago	290
361.	Detroit Edison	Detroit	290
362.	Missouri Retirement	Jefferson City, MO	289
363.	Louisiana Retirement	Baton Rouge, LA	289
364.	Public Electric & Gas	Newark, NJ	287
365.	Ft. Lauderdale Retire.	Fort Lauderdale, FL	287
366.	Ingersoll-Rand	Woodcliff Lake, NJ	287
367.	Inco United States	New York	286
368.	Teamsters Local #710	Chicago	286
369.	Emhart Corp.	Hartford, CT	285
370.	McGraw-Edison	Rolling Meadows, IL	285
371.	NL Industries	New York	282
372.	Masters, Mates & Pilots	New York	281
373.	Laborers	Dallas	281
374.	Boston Retirement	Boston	278
375.	F.W. Woolworth	New York	273
376.	Blue Cross	Chicago	272
377.	Armstrong World Ind.	Lancaster, PA	272
378.	Champion Intl.	Stamford, CT	271
379.	Textile Workers	New York	270
380.	Mass. Bay Ret.	Boston	270
381.	S. Ca.Plumbers #30	Los Angeles	269
382.	San Diego Retirement	San Diego	268
383.	Ralston Purina	St. Louis	268
384.	Emerson Electric	St. Louis	268
385.	YMCA Retirement	New York	267
386.	Publix Super Markets	Lakeland, FL	267
387.	Harris Corp.	Melbourne, FL	267
388.	Phelps Dodge	New York	266
389.	J.P. Stevens	New York	266
390.	Milwaukee Pension	Milwaukee	264
391.	Motion Picture Industry	Studio City, CA	263
392.	Wheeling-Pittsburgh	Pittsburgh	262
393.	San Bernardino Ret.	San Bernardino, CA	261
394.	Owens-Corning	Toledo, OH	261
395.	Fruehauf Corp.	Detroit	260
396.	Coca-Cola	Atlanta	260
397.	Teamsters, Central Pa.	Reading, PA	260
398.	Panhandle Eastern	Kansas City, MO	259
399.	Cummins Engine Co.	Columbus, IN	259
400.	Quaker Oats	Chicago	258
401.	Pepsico	Purchase, NY	257
402.	Disciples of Christ	Indianapolis	257
403.	Uniroyal	Middlebury, CT	256
404.	Sherwin-Williams	Cleveland	255
405.	San Jose Retirement	San Jose, CA	252
406.	Sacramento Retirement	Sacramento, CA	252
407.	U.S. Air	Washington	250
408.	R.R. Donnelley	Chicago	249
409.	American Baptist	New York	249
410.	American Motors	Southfield, MI	247
411.	Laborers, So. Ca.	Los Angeles	245
412.	Northern States Power	Minneapolis	245
413.	Laborers, Con. & Gen.	Forest Park, IL	245
414.	Rexnord	Milwaukee	245
415.	Dallas Retirement	Dallas	245
416.	National Maritime	New York	242
417.	Marsh & McLennan	New York	241
418.	Pennzoil Co.	Houston	240
419.	Norton Co.	Worcester, MA	240
420.	Southern Pacific	San Francisco	239
421.	Teamsters Conference	Utica, NY	238
422.	Amsted Industries	Chicago	237
423.	Teamsters Local #705	Chicago	237
424.	Typographical Union	Col. Springs, CO	234
425.	Stauffer Chemical	Westport, CT	233
426.	National Distillers	New York	233
427.	American Tv & Radio	New York	232
428.	City Investing	New York	231
429.	ASARCO Inc.	New York	229
430.	Schering-Plough	Kenilworth, NJ	229
431.	Cabot Corp.	Boston	229
432.	Chicago Bridge & Iron	Oak Brook, IL	229
433.	Lumber & Sawmill	Portland, OR	229
434.	Seattle Retirement	Seattle	228
435.	Cincinnati Bell	Cincinnati	227
436.	Dayton Hudson	Minneapolis	227
437.	Ohio Edison	Akron, OH	227
438.	North American Philips	New York	226
439.	New England Elec. Sys.	Westboro, MA	225
440.	Southland Corp.	Dallas	225
441.	Tektronix	Beaverton, OR	225
442.	Clark Equipment	Buchanan, MI	225
443.	A.O. Smith	Milwaukee	224
444.	Peoples Energy	Chicago	224
445.	Lithographers	Washington	224
446.	Oscar Mayer & Co.	Madison, WI	220
447.	McGraw-Hill	New York	220
448.	American Home	New York	219
449.	IC Industries	Chicago	219
450.	Graphic Arts	Washington	218
451.	Pillsbury Co.	Minneapolis	218
452.	Service Employees	New York	218
453.	Virginia Elec. & Power	Richmond, VA	217
454.	Koppers Co.	Pittsburgh	215
455.	GK Technologies	Greenwich, CT	215
456.	Lever Brothers	New York	215
457.	Gould Inc.	Rolling Meadows, IL	215
458.	Maritime Assoc. ILA	Houston	214
459.	Squibb Corp.	New York	213
460.	Arthur D. Little	Cambridge, MA	213
461.	Painters, Allied Trades	Washington	212
462.	Sundstrand Corp.	Rockford, IL	212
463.	Avon Products	New York	212
464.	Diamond Intl.	New York	210
465.	Allegheny Power	New York	210
466.	Memphis City Ret.	Memphis, TN	210
467.	Long Island Lighting	Mineola, NY	208
468.	De Luxe Check Printers	St. Paul, MN	206
469.	Interlake Inc.	Oak Brook, IL	206
470.	Sheet Metal Workers	Los Angeles	206
471.	Cleveland Electric	Cleveland	206
472.	GAF Corporation	New York	205
473.	U.S. Gypsum Co.	Chicago	205
474.	Vermont Retirement	Montpelier, VT	205
475.	Borden Inc.	New York	205
476.	Allied Stores	New York	204
477.	Memphis Light	Memphis, TN	204
478.	Cinn. Gas, Water	Cincinnati	203
479.	EG&G Inc.	Wellesley, MA	203
480.	Levi Strauss	San Francisco	203
481.	Montgomery Retirement	Rockville, MD	203
482.	May Department Stores	St. Louis	202
483.	White Consolidated	Cleveland	202
484.	Chicago Laborers	Chicago	202
485.	Union Camp Corp.	Wayne, NJ	201
486.	CPC Intl.	Engle. Cliffs, NJ	201
487.	American Musicians	New York	201
488.	Battelle Memorial	Columbus, OH	201
489.	Consolidated Foods	Chicago	199
490.	Ex-Cell-O Corp.	Troy, MI	199
491.	Printing Pressmen	Los Angeles	197
492.	Presbyterian Center	Atlanta, GA	197
493.	Operating Engineers	Countryside, IL	197
494.	Kern County Retirement	Bakersfield, CA	196
495.	Kansas City Power	Kansas City, MO	195
496.	Building & Construction	Milwaukee	195
497.	Atlanta General	Atlanta	194
498.	Baltimore Retirement	Baltimore	193
499.	Pennwalt Corp.	Philadelphia	193
500.	George A. Hormel	Austin, MN	191
501.	Gillette Co.	Boston	191
502.	Laborers of Ohio AGC	Columbus, OH	191
503.	Foremost-McKesson	San Francisco	190
504.	General Signal	Stamford, CT	190
505.	Missouri Local Govt.	Jefferson City, MO	190
506.	National Sprinkler	Silver Spring, MD	189
507.	Amstar Corp.	New York	189
508.	New York Elec. & Gas	Ithaca, NY	189
509.	Pitney Bowes Inc.	Stamford, CT	188
510.	Fairchild Industries	Germantown, MD	187
511.	Michigan Gas	Detroit	187
512.	Iron Workers of Oh.	Dayton, OH	187
513.	Carpenters Trust	Birmingham, MI	186
514.	Savings Banks	Boston	186
515.	Kaiser Steel	Fontana, CA	185
516.	Wickes Companies	Santa Monica, CA	185
517.	American Medical	Chicago	183
518.	Milliken & Co.	Spartanburg, SC	182
519.	Union Electric	St. Louis, MO	182
520.	Auto Workers Dist. 65	New York	182
521.	Continental Telecom	Atlanta	182
522.	R.H. Macy & Co.	New York	181
523.	ICI Americas	Wilmington, DE	181
524.	Woodworkers IWA	Vancouver, BC	180
525.	E-Systems	Dallas	180
526.	AMF Inc.	White Plains, NY	180
527.	Typographical Union	Chicago	179
528.	ENSERCH Corp.	Dallas	177
529.	Houston L & P	Houston	177
530.	Amer. Hosp. Supply	Evanston, IL	176
531.	Upholsterers Intl. Union	Philadelphia	176
532.	Denver Retirement	Denver	175
533.	Penn. P & L	Allentown, PA	175
534.	Western Union Corp.	Upper Saddle, NJ	174
535.	Ventura County Retire.	Ventura, CA	174
536.	Carnation Co.	Los Angeles	174
537.	Miami Retirement	Miami	174
538.	Belk, Leggett & Efird	Charlotte, NC	173
539.	Operating Engineers	Birmingham, MI	173
540.	Anchor Hocking	Lancaster, OH	173
541.	Stone & Webster	New York	173
542.	Texas Utilities	Dallas	173
543.	Norton Simon	New York	172
544.	Iowa Retirement	Des Moines, IA	172
545.	Teamsters of Phil.	Philadelphia	171
546.	Burlington Northern	Seattle	170
547.	Kroger Co.	Cincinnati	170
548.	Transco Energy	Houston	169
549.	Rapid-American	New York	168
550.	Aerospace Corp.	El Segundo, CA	167
551.	Chessie Railroads	Cleveland	167
552.	Marine Engineers	Brooklyn, NY	167
553.	International Minerals	Mundelein, IL	166
554.	Longshoremen	San Francisco	165
555.	Joseph E. Seagram	New York	165
556.	Boston Edison Co.	Boston	165
557.	Carpenter Tech. Corp.	Reading, PA	165
558.	Teamsters, W. Penn.	Pittsburgh	165
559.	Stroh Brewery	Detroit	165
560.	Walgreen Co.	Deerfield, IL	165
561.	Blue Bell	Greensboro, NC	165
562.	Florida Power	St. Petersburg, FL	164
563.	Santa Fe Industries	Chicago	164
564.	Norfolk Southern Corp.	Roanoke, VA	163
565.	Iron Workers, Calif.	San Francisco	163
566.	Johnson & Higgins	New York	163
567.	Cleveland-Cliffs Iron	Cleveland	162
568.	Sonat Inc.	Birmingham, AL	162
569.	Northern Ill. Gas	Aurora, IL	162
570.	AMFAC Inc.	San Francisco	162
571.	Minneapolis Teachers	Minneapolis	162
572.	San Diego G & L	San Diego	162
573.	Allen-Bradley Co.	Milwaukee	161
574.	American Resources	Detroit	161
575.	Seafarers	Brooklyn, NY	161
576.	Graybar Electric	St. Louis	161
577.	Lear Siegler	Santa Monica, CA	161
578.	Akzona Inc.	Asheville, NC	160
579.	Anheuser-Busch	St. Louis	160
580.	Outboard Marine	Waukegan, IL	160
581.	St. Louis Retirement	St. Louis	159
582.	Brunswick Corp.	Skokie, IL	158
583.	Briggs & Stratton	Milwaukee	156
584.	Tiger Intl.	Los Angeles	156
585.	Allegheny Intl.	Pittsburgh	156
586.	Mercantile Stores	New York	155
587.	Carpenters, Dist.	Chicago	155
588.	Airco	Montvale, NJ	154
589.	Champion Spark Plug	Toledo, OH	154
590.	Operating Engineers	Countryside, IL	153
591.	Reader's Digest	Pleasantville, NY	153
592.	Chicago Park Em.	Chicago	153
593.	Control Data	Minneapolis	153
594.	S.C. Johnson	Racine, WI	153
595.	Zenith Radio	Glenview, IL	153
596.	Teamsters	Union City, NJ	152

Ranking of funds/sponsors 201-1,000

No.	Fund/sponsor	Location	Assets ($ mil.)
597.	Moorman Mfg.	Quincy, IL	152
598.	Carpenters	Cleveland	152
599.	Oakland Municipal	Oakland, CA	152
600.	Johnson Controls	Milwaukee	152
601.	Mars Inc.	McLean, VA	151
602.	Nalco Chemical	Oak Brook, IL	151
603.	Centel Corp.	Chicago	151
604.	Texas Eastern	Houston	151
605.	Air Products	Allentown, PA	150
606.	Coastal Corp.	Houston	150
607.	AM Intl.	Los Angeles	150
608.	Flint Retirement	Flint, MI	150
609.	Gannett Co.	Rochester, NY	150
610.	Sterling Drug	New York	149
611.	Graphic Arts	Chicago	149
612.	Laborers, Natl. Hq.	Washington	149
613.	Fresno County Retire.	Fresno, CA	148
614.	Joy Mfg. Co.	Pittsburgh	148
615.	Freeport-McMoran	New York	148
616.	H.J. Heinz	Pittsburgh	147
617.	Hearst Corp.	New York	147
618.	Boy Scouts	Irving, TX	146
619.	Liggett Group	Montvale, NJ	146
620.	Pacific Maritime	San Francisco	145
621.	So. Ca. Transit	Los Angeles	145
622.	Jacksonville Retire.	Jacksonville, FL	144
623.	Perkin-Elmer	Norwalk, CT	144
624.	Marriott Corp.	Washington	143
625.	Sacramento Retirement	Sacramento, CA	143
626.	National Fuel Gas	New York	143
627.	Texstar Corp	Grand Prairie, TX	143
628.	Navy Resale Sys.	Staten Island, NY	143
629.	Superior Oil	Houston	142
630.	Gates Corp.	Denver	142
631.	Hartford Retirement	Hartford, CT	142
632.	Caltex Petroleum	Dallas	142
633.	Auto Workers, Natl. Hq.	Detroit	141
634.	Rohr Industries	Chula Vista, CA	141
635.	Delmarva P & L	Wilmington, DE	141
636.	Electrical Contractors	Chicago	140
637.	Jim Walter Corp.	Tampa, FL	140
638.	Plumbers & Pipefitters	Chicago	140
639.	Paper Industry U-M	Nashville, TN	139
640.	Curtiss-Wright	Woodridge, NJ	139
641.	Kerr-McGee Corp.	Oklahoma City, OK	139
642.	Hughes Tool	Houston	138
643.	Texas Gas Trans.	Owensboro, KY	138
644.	Mitre Corp.	Bedford, MA	138
645.	Wisconsin Electric	Milwaukee	138
646.	Sybron Corp.	Rochester, NY	137
647.	Agway Inc.	Syracuse, NY	137
648.	Birmingham Retirement	Birmingham, AL	137
649.	Colorado Fire & Police	Denver	137
650.	Roadway Express	Akron, OH	137
651.	Amerada Hess	New York	136
652.	Food, Comml. Workers	Baltimore	136
653.	Great Northern Nekoosa	Stamford, CT	136
654.	Sandoz Inc.	East Hanover, NJ	136
655.	Nestle Co.	White Plains, NY	134
656.	SCM Corp.	New York	134
657.	ONEOK Inc.	Tulsa, OK	133
658.	Western Greyhound	San Francisco	133
659.	Retail Clerks	Atlanta	133
660.	Kansas City Funds	Kansas City, MO	132
661.	Public Service Co.	Denver	132
662.	United Brands	New York	132
663.	Diamond Shamrock	Irving, TX	131
664.	Inter-American	Washington	131
665.	United Energy	Houston	130
666.	American Stores	Salt Lake City, UT	130
667.	Baton Rouge Retire.	Baton Rouge, LA	130
668.	Reserve Mining Co.	Silver Bay, MN	129
669.	AMP Inc.	Harrisburg, PA	129
670.	St. Louis Retirement	St. Louis	128
671.	Laborers, N. Calif.	San Francisco	128
672.	Washington Post Co.	Washington	128
673.	Tecumseh Products	Tecumseh, MI	128
674.	Operating Engineers	Norristown, PA	128
675.	Longshoremen	Baltimore	128
676.	Baxter Travenol	Deerfield, IL	127
677.	San Mateo Retirement	Redwood City, CA	127
678.	Fairfax County Retire.	Fairfax, VA	126
679.	Rochester G & E	Rochester, NY	126
680.	Lukens Steel	Coatesville, PA	126
681.	Federal-Mogul Corp.	Detroit	125
682.	Alexander & Alexander	Baltimore	125
683.	League of Vol. Hosp.	New York	125
684.	Lone Star Indus.	Greenwich, CT	125
685.	Ogden Corp.	New York	125
686.	Steelcase	Grand Rapids, MI	124
687.	Piedmont Aviation	Winston-Salem, NC	124
688.	Carpenters, W. Wash.	Washington	124
689.	Operating Engineers	Newark, NJ	123
690.	Illinois Power	Decatur, IL	123
691.	Bankers Life of Ia.	Des Moines, IA	122
692.	Steelworkers Natl. Hq.	Pittsburgh	123
693.	San Joaquin Retirement	Stockton, CA	123
694.	National Industrial	Newark, NJ	123
695.	Western Metal Ind.	Seattle	123
696.	Food, Comml. Workers	Madison Hghts. MI	123
697.	Maytag Co.	Newton, IA	122
698.	Deseret Mutual Benefit	Salt Lake City, UT	121
699.	Becton, Dickinson & Co.	Paramus, NJ	121
700.	Fort Worth Employees	Fort Worth, TX	121
701.	Carolina P & L	Raleigh, NC	121
702.	Food, Comml. Workers	Chicago	120
703.	Longshoremen	New Orleans	120
704.	Screen Actors Guild	Hollywood, CA	120
705.	Varian Associates	Palo Alto, CA	120
706.	Arizona Public Service	Phoenix, AZ	119
707.	Gulf States Utilities	Beaumont, TX	119
708.	Alaska Electrical	Anchorage, AK	119
709.	Illinois Tool Works	Chicago	119
710.	Food,Comml. Workers	Los Angeles	119
711.	NVF Co.	Yorklyn, DE	119
712.	Thiokol Corp.	Newtown, PA	118
713.	N. Ca. Sheet Metal	Dublin, CA	118
714.	ACF Industries	New York	118
715.	Pittston Co.	Greenwich, CT	118
716.	Babcock Intl.	Trumbull, CT	118
717.	St. Louis Police	St. Louis	118
718.	Brooklyn Union Gas	Brooklyn	117
719.	A.B. Dick Co.	Chicago	116
720.	Seaboard Railroad	Jacksonville, FL	116
721.	Signode Corp.	Glenview, IL	116
722.	National Can Corp.	Chicago	116
723.	Norfolk Retirement	Norfolk, VA	116
724.	Pacific P & L	Portland, OR	115
725.	Knight-Ridder	Miami	115
726.	Reliance Electric	Cleveland	115
727.	Commerce Clearing	Chicago	115
728.	Royal Indemnity Co.	New York	115
729.	Howmet Aluminum	Greenwich, CT	114
730.	Frontier Airlines	Denver	114
731.	Arthur Andersen & Co.	Chicago	114
732.	Missouri Highway	Jefferson City, MO	113
733.	McKinsey & Co.	New York	113
734.	Washington Gas Light	Washington	113
735.	Bricklayers & Trowel	Washington	113
736.	Mobay Chemical	Pittsburgh	112
737.	Williams Cos.	Tulsa, OK	112
738.	Potlatch Corp.	San Francisco	112
739.	Northern In. Pub.Serv.	Hammond, IN	112
740.	Dallas Police & Fire	Dallas	111
741.	St Joe Minerals	New York	111
742.	Laborers, Local 395	Phoenix, AZ	111
743.	Loews Corp.	New York	111
744.	Major League Players	New York	110
745.	Columbus & S. Oh.	Columbus, OH	110
746.	Bangor Punta Corp.	Greenwich, CT	110
747.	Alco Standard	Valley Forge, PA	110
748.	Cone Mills Corp.	Greensboro, NC	110
749.	Tribune Co.	Chicago	110
750.	Pickands Mather & Co.	Cleveland	110
751.	Carpenters	Burlington, MA	110
752.	Iron Workers	Newark, NJ	110
753.	Hanna Mining Co.	Cleveland	110
754.	Springs Industries	Fort Mill, SC	110
755.	Acme-Cleveland Corp.	Cleveland	109
756.	Hiram Walker	Detroit	109
757.	Vulcan Materials Co.	Birmingham, AL	109
758.	Arlington Supplemental	Arlington, VA	108
759.	Revere Copper & Brass	New York	108
760.	Beech Aircraft	Wichita, KS	107
761.	Heublein Inc.	Farmington, CT	107
762.	Armstrong Rubber	New Haven, CT	107
763.	Texasgulf Inc.	Stamford, CT	106
764.	Cultural Institutions	New York	106
765.	Brown Group	St. Louis	106
766.	New York Times	New York	106
767.	National Telephone	Washington	106
768.	Insurance Co.	New York	106
769.	Duquesne Light Co.	Pittsburgh	105
770.	Southern Railway	Washington	105
771.	Blue Cross	Detroit	105
772.	St. Paul Teachers	St. Paul, MN	105
773.	Operating Engineers	Columbus, OH	105
774.	Jos. Schlitz Brewing	Milwaukee	104
775.	Brockway Inc.	Brockway, PA	104
776.	Thomas J. Lipton	Engle. Cliffs, NJ	104
777.	Stanley Works	New Britain, CT	104
778.	Ambac Industries	Dearborn, MI	104
779.	Machinists Dis. Lodge	Bridgeton, MO	103
780.	Morton-Norwich Prod.	Chicago	103
781.	J.M. Huber Corp.	Edison, NJ	103
782.	Phoenix City Retire.	Phoenix, AZ	103
783.	Equifax Inc.	Atlanta	101
784.	Cessna Aircraft	Wichita, KS	101
785.	Carpenters, Hawaii	Honolulu, HI	101
786.	Louisiana Pacific	Portland, OR	101
787.	American Hoechst Corp.	Somerville, NJ	101
788.	Carpenters of Ill.	Geneva, IL	101
789.	Laborers, Ma.	Newton, MA	100
790.	Anderson, Clayton	Houston	100
791.	Foster Wheeler Corp.	Livingston, NJ	100
792.	Food, Comml. Workers	Washington	100
793.	Burroughs Wellcome	Re. Tri. Pk. NC	100
794.	CIT Financial	New York	100
795.	Digital Equipment	Maynard, MA	100
796.	Hershey Foods	Hershey, PA	100
797.	Square D Co.	Palatine, IL	100
798.	Tandy Corp.	Fort Worth, TX	100
799.	Gerber Products	Fremont, MI	100
800.	Cameron Iron Works	Houston	100
801.	Arkla Inc.	Shreveport, LA	99
802.	Associated Dry Goods	New York	99
803.	Cargill Pension	Minneapolis	99
804.	Laborers, W. Penn.	Pittsburgh	98
805.	Automotive Indus.	Oakland, CA	98
806.	Sanders Assoc.	Nashua, NH	98
807.	Miami Beach Retire.	Miami Beach, FL	98
808.	Castle & Cooke	San Francisco	98
809.	Copperweld Corp.	Pittsburgh	98
810.	Marin County Retire.	San Rafael, CA	98
811.	Dravo Corp.	Pittsburgh	97
812.	Potomac Electric	Washington	97
813.	Laborers of Alaska	Seattle	97
814.	Bell & Howell	Chicago	97
815.	Morrison-Knudsen Co.	Boise, ID	97
816.	Witco Chemical	New York	96
817.	Arkansas Highway	Little Rock, AR	96
818.	MAPCO Inc.	Tulsa, OK	96
819.	BASF Wyandotte	Parsippany, NJ	96
820.	Austin Retirement	Austin, TX	95
821.	Fresno Retirement	Fresno, CA	95
822.	Louisiana Land	New Orleans, LA	94
823.	Marmon Group	Chicago	94
824.	Lubrizol Corp.	Wickliffe, OH	94
825.	SKF Industries	K. of Prussia, PA	94
826.	Directors Guild	Los Angeles	93
827.	Salt River Project	Tempe, AZ	93
828.	Iron Workers #25	Birmingham, MI	93
829.	William Wrigley Jr.	Chicago	93
830.	GATX Corp.	Chicago	93
831.	Fort Howard Paper	Green Bay, WI	93
832.	Davy Inc.	Cleveland	92
833.	St. Louis Firemen	St. Louis	92
834.	Foxboro Co.	Foxboro, MA	92
835.	Machinists Local 701	Chicago	92
836.	Peat Marwick Mitchell	New York	92
837.	Food, Comml. Workers	New York	91
838.	Newmont Mining	New York	91
839.	Plasterers, Cement	Los Angeles	90
840.	Lincoln Electric	Cleveland	90
841.	Indian Head	New York	90
842.	Shelby Retirement	Memphis, TN	90
843.	Doubleday & Co.	Garden City, NY	90
844.	Midland-Ross	Cleveland	89
845.	El Paso Employees	El Paso, TX	89
846.	Oakland County Em.	Pontiac, MI	89
847.	Oklahoma G & E	Oklahoma City, OK	89
848.	Carpenters, W. Penn.	Pittsburgh	88
849.	Kansas City School	Kansas City, MO	88
850.	Raymond Intl.	Houston	88
851.	James River Corp.	Richmond	88
852.	Texas P & L	Dallas	88
853.	Lone Star Co.	Dallas	88
854.	Consolidated Papers	Wis. Rapids, WI	88
855.	American Broadcasting	New York	87
856.	Machinists Local #289	Seattle	87
857.	Dayton P & L	Dayton, OH	87
858.	Coats & Clark	Stamford, CT	87
859.	American Water Works	Haden Heights, NJ	87
860.	Miles Laboratories	Elkhart, IN	87
861.	Machine Printers & Eng.	E. Providence, RI	87
862.	Cyclops Corp.	Pittsburgh	87
863.	Hawaiian Electric	Honolulu, HI	87
864.	N. D. Retirement	Bismark, ND	86
865.	American Petrofina	Dallas	86
866.	Daniel Intl.	Greenville, SC	86
867.	Tacoma Retirement	Tacoma, WA	86
868.	Tampa Police & Fire	Tampa, FL	86
869.	Teamsters #282	Elmont NY	86

Ranking of funds/sponsors 201-1,000

No.	Fund/sponsor	Location	Assets ($ mil.)
870.	Harsco Corp.	Camp Hill, PA	86
871.	Northwestern Steel	Sterling, IL	86
872.	Bucyrus-Erie Co.	Milwaukee	85
873.	Grange Mutual Life	Nampa, ID	85
874.	Chicago Sanitary Dist.	Chicago	85
875.	Courier-Journal,Times	Louisville, KY	85
876.	Wisc. Public Serv.	Green Bay, WI	84
877.	Commonwealth Energy	Cambridge, MA	84
878.	Ernst & Whinney	Cleveland	84
879.	Utah Power & Light	Salt Lake City, UT	84
880.	Rochester Telephone	Rochester, NY	84
881.	Ladish Co.	Cudahy, WI	84
882.	Operating Engineers	Washington	84
883.	Bausch & Lomb	Rochester, NY	84
884.	Hammermill Paper Co.	Erie, PA	83
885.	Manitowoc Co.	Manitowoc, WI	83
886.	Service Employees	San Francisco	83
887.	Dow Jones	New York	83
888.	Warner Comm.	New York	83
889.	Towers, Perrin	Philadelphia	83
890.	Sheet Metal #355	San Francisco	82
891.	Dan River Inc.	Greenville, SC	82
892.	Interpace Corp.	Parsippany, NJ	82
893.	Louisville G & E	Louisville, KY	81
894.	Beneficial Corp.	Wilmington, DE	81
895.	Machinists, Nat.Hq.	Washington	81
896.	Mohasco Corp.	Amsterdam, NY	81
897.	Sonoma County	Santa Rosa, CA	81
898.	New York Stock Ex.	New York	80
899.	ICMA Retirement	Washington	80
900.	Trane Co.	La Crosse, WI	80
901.	MCA Inc.	Universal City, CA	80
902.	Genstar Corp.	Vancouver, BC	80
903.	Hospital Corp.	Nashville, TN	80
904.	Houdaille Ind.	Ft. Lauderdale, FL	80
905.	IU Intl. Corp.	Philadelphia	80
906.	Keystone Con. Ind.	Peoria, IL	80
907.	National Gypsum Co.	Dallas	80
908.	A.C. Nielsen Co.	Northbrook, IL	80
909.	Simpson Timber	Seattle	80
910.	YWCA	New York	80
911.	Wean United	Youngstown, OH	80
912.	Young & Rubicam	New York	80
913.	United Services Auto.	San Antonio, TX	80
914.	O. Ames Co.	Parkersburg, WV	80
915.	Carpenters	San Diego	79
916.	Barnes Group	Bristol, CT	79
917.	Summa Corp.	Las Vegas, NV	79
918.	CertainTeed Corp.	Valley Forge, PA	79
919.	Peavey Co.	Minneapolis	79
920.	Operating Engineers	Portland, OR	79
921.	Tyler Corp.	Dallas	79
922.	Teamsters	Richmond, VA	79
923.	Alexander & Baldwin	Honolulu, HI	79
924.	Cannon Mills Co.	Kannapolis, NC	79
925.	Paccar Inc.	Bellevue, WA	78
926.	Alcan Aluminum Ltd.	Montreal, QU	78
927.	Media General	Richmond, VA	78
928.	Georgia-Kaolin Corp.	Elizabeth, NJ	78
929.	Carpenters	St. Louis	78
930.	Laborers	New York	78
931.	Peabody Coal Co.	St. Louis	78
932.	Parker-Hannifin Corp.	Cleveland	78
933.	Plumbers #638	New York	78
934.	Puget Sound P & L	Bellevue, WA	78
935.	Food, Comml. Workers	Los Angeles	77
936.	Screen Extras	New York	77
937.	Wichita Retirement	Wichita, KS	77
938.	Dillingham Corp.	Honolulu, HI	77
939.	Cement Masons	El Monte, CA	77
940.	Teamsters	Chicago	77
941.	Omaha Retirement	Omaha, NE	77
942.	Operating Engineers	Syracuse, NY	77
943.	Ideal Basic Industries	Denver	77
944.	W.W. Grainger	Skokie, IL	77
945.	Operating Engineers	Monroeville, PA	77
946.	Rubbermaid Inc.	Wooster, OH	76
947.	U.S. Borax & Chem.	Los Angeles	76
948.	Penn. Retirement	Harrisburg, PA	76
949.	Iron Workers	Houston	76
950.	Titanium Metals Corp.	Pittsburgh	76
951.	Lumber Industry	Los Angeles	76
952.	Wisconsin Gas	Milwaukee	76
953.	Richardson-Vicks Inc.	Wilton, CT	75
954.	Missouri Pacific Corp.	St. Louis	75
955.	Laborers, AGC	Spokane, WA	75
956.	Esmark Inc.	Chicago	75
957.	Santa Barbara Retire.	Santa Barbara, CA	75
958.	Reliance Group	New York	75
959.	Hyster Co.	Portland, OR	75
960.	Retail Clerks	Seattle	75
961.	Central Ill. Light	Peoria, IL	75
962.	Scovill Inc.	Waterbury, CT	74
963.	Woodward Governor	Rockford, IL	74
964.	Bowater N.A. Corp.	Old Greenwich, CT	73
965.	Laborers #731	New York	73
966.	Federal Paper Board	Montvale, NJ	73
967.	Northwest Industries	Chicago	73
968.	Pioneer Corp.	Amarillo, TX	73
969.	Ralph M. Parsons	Pasadena, CA	73
970.	Laborers	Terre Haute, IN	73
971.	Retail, Wholesale Dept.	New York	73
972.	CECO Corp.	Oak Brook, IL	73
973.	Prentice-Hall Inc.	Engle. Cliffs, NJ	73
974.	Yellow Freight Sys.	Shawnee Mission	73
975.	Humana Inc.	Louisville, KY	73
976.	American Accountants	New York	73
977.	Shenango Furnace	Pittsburgh	72
978.	Harnischfeger Corp.	Milwaukee	72
979.	United Engineers	Philadelphia	72
980.	Massey-Ferguson Inc.	Des Moines, IA	72
981.	Dayco Corp.	Dayton, OH	72
982.	Electrical Workers	E. Rutherford, NJ	71
983.	Texas Electric Serv.	Fort Worth, TX	71
984.	Iron Workers	Washington	71
985.	Sperry & Hutchinson	New York	71
986.	City of Tampa Retire.	Tampa, FL	71
987.	Andersen Corp.	Bayport, MN	71
988.	Bricklayers	New York	71
989.	Figgie Intl. Inc.	Willoughby, OH	71
990.	Minnegasco Inc.	Minneapolis	71
991.	Allegheny Retire. Bd.	Pittsburgh	71
992.	S. Calif. Auto. Club.	Los Angeles	70
993.	Wyatt Co.	Detroit	70
994.	Toledo Edison Co.	Toledo, OH	70
995.	Service Employees	San Francisco	70
996.	Sheller-Globe Corp.	Toledo, OH	70
997.	Teamsters	N. Brunswick, NJ	70
998.	Carpenters	Springfield, NJ	70
999.	Syntex (USA)	Palo Alto, CA	70
1000.	Arvin Industries	Columbus, IN	69

Total—622,596

Continued from page 26

million in fixed income.

Equities are managed by Brundage, Story & Rose; Campbell Advisors; Cole, Yeager & Wood; Grantham, Mayo, Van Otterloo & Co.; and State Street Research & Management. Chemical Bank and Lazard Freres & Co. were dropped.

Bankers Trust Co. manages bonds. Equity real estate investments are made through JMB Realty Corp., the Rosenberg Real Estate Equity Fund and Metropolitan Life Insurance Co. Lombard, Odier International Portfolio Management and Morgan Grenfell Investment Services are international managers. Metropolitan Life and Equitable also manage deferred annuity contracts. Lewis Bailey Associates is consultant for U.S. funds.

Beutel Goodman & Co. and Ruggles and Crysdale were added to E.J. McConnell and Fiscal Consultants to manage American Can's more than $80 million in Canadian plans. National Trust Co. and Montreal Trust Co. were dropped as managers, but National Trust remains as master trustee.

American Can started a corporate IRA plan with an outside management firm in 1982.

Investment management is performed by Eugene C. Ecker, managing director, and Daniel E. Rubenstein, associate director.

American Electric Power Co.

	($ millions)
Total assets	550
Pension	420
Profit-sharing	na
Thrift or savings	130
Employer contributions	58
Benefit payments	58

COLUMBUS, OH.—American Electric Power Co.'s total employee benefit assets increased 10% this year. Last year, total assets were $501 million, while in 1982 the company chalked up a total of $550 million.

During 1982, the company hired MEG Asset Management as a bond manager. MEG Asset will be running a financial futures portfolio for the fund as well—a first for the pension fund.

The portfolio mix as of Sept. 30, was 70% stocks, 25% bonds and 5% cash equivalents.

In addition to MEG Asset, the pension fund employs four balanced managers: BEA Associates; Fayez Sarofim & Co.; Thorndike, Doran, Paine & Lewis; and M. Pescatello & Co.

Irving Trust is the master trustee.

James Dixon, director in charge of pensions, Zulid Mohammed, manager-benefits accounting and Gerald Maloney, senior vp-finance are in charge of administering the employee benefit assets for the company.

American Telephone & Telegraph Co.

	($ millions)
Total assets	45,600*
Pension	40,100
Profit-sharing	na
Thrift or savings	5,500
Employer contributions	3,900
Benefit payments	1,600

*estimate

NEW YORK—American Telephone & Telegraph was in the process of selecting a half-dozen international managers at the end of 1982.

However, this process was complicated by the impending divestiture of seven regional operating subsidiaries from AT&T.

As of June 30, the last date for which AT&T could supply numbers, the company's total employee benefit assets totaled $42 billion. *Pensions & Investment Age* estimates they had grown to $45.6 billion by Sept. 30.

As of June 30, the pension assets totaled $36.5 billion, and *P&I Age* estimated they had grown to $40.1 billion by Sept. 30.

The asset mix for the pension assets as of June 30 was 48% stocks, 32% bonds, 14% cash equivalents and 6% in real estate equities and mortgages.

The fund has $1 billion managed internally, all of it in equities. It has $4.8 billion indexed, and has $91.6 million invested internationally through bank pooled accounts. It uses options, venture capital and oil and gas investing.

Managers for the AT&T fund are: Aetna Life & Casualty; American Fletcher National Bank; American National Bank, Chicago; AmeriTrust; David L. Babson; Bank of America; Bank of New York; Bankers Trust; Battery-

We are pleased to announce
the appointment of

GEORGE M. YANEFF
as president of

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march Financial Management; Boatmens National Bank; Boston Co.; Brown Bros. Harriman; Brundage, Story & Rose; Capital Guardian Trust; Central National Bank, Cleveland; Chase Investors Management; Chemical Bank; Citibank; Citizens & Southern National Bank; Clarens Associates; CMB Investment Counselors; and Crocker National Bank.

Also Dean Witter Reynolds; Delaware Investment Advisors; Dodge & Cox; Eberstadt Asset Management; Equitable Life; Fayez Sarofim; First City National Bank, Houston; First Kentucky Trust; First Manhattan Co.; First National Bank of Atlanta; First National Bank of Birmingham; First National Bank of Chicago; First National Bank in Dallas (InterFirst); First National Bank of Denver (InterWest); First National Bank of Minneapolis; First Interstate Bank (Oregon); First Tennessee Bank; First Wisconsin Trust; and Fischer, Francis Trees & Watts.

Also, David J. Greene & Co.; John Hancock; Harris Trust; IDS Advisory; Indiana National Bank; Investment Counselors of Maryland; Jennison Associates; Kemper Financial Services; Lazard Freres, Lincoln Capital Management; Loomis Sayles & Co.; Lord Abbett & Co.; Manufacturers Hanover Trust; Marine Midland; Massachusetts Financial Services; Mathers & Co.; McCowan Associates; Mellon Bank; Mercantile Safe Deposit; Mercantile Trust Co.; Midlantic National Bank; Morgan Guaranty; and Morrill Stanfill.

Also National Bank of Detroit; National City Bank-Cleveland; National Investment Services of America; North Carolina National Bank; Northern Trust; Pacific Investment Management Co.; Pioneering Management; Provident Capital; Prudential Insurance; Putnam Advisory; Republic National Bank of Dallas; Rosenberg Capital Management; T. Rowe Price; Scudder, Stevens & Clark; Seattle First National Bank; South Carolina National Bank; Standish Ayer & Wood; State Street Bank; State Street Research & Management; and Stein, Roe & Farnham.

Also, Texas Commerce Bank; Thorndike Doran, Paine & Lewis, Travelers Investment Management Co.; Trust Co. of the West; United Bank of Denver; U.S. Trust Co.; Wachovia Bank & Trust; Wall, Patterson; Wellington Management Co.; Wells Fargo Bank; Wertheim Asset Management; and Western Asset Management.

Real estate assets are managed by Corporate Property Investors, Boston Co. Real Estate, Coldwell Banker, Eastdil Advisers, Heitman Advisory Corp. and Rosenberg Real Estate Equity Fund.

Oil and gas participations include AMGO, Callon and Apache, and venture capital participations include Concord Group, DSV and Saugatuck.

AT&T has established a corporate individual retirement account program for its employees.

Key executives overseeing the pension fund are David Feldman, assistant treasurer, Philip Babcock, director, and Roger McLaughlin, director.

Arizona State Retirement System

	($ millions)
Total assets	2,323
Pension	2,323
Profit-sharing	na
Thrift or savings	na
Employer contributions	138*
Benefit payments	111*

*Fiscal year 1982

PHOENIX—Investment returns of the fund became an issue in the state treasurer's race last November.

However, employee benefit assets increased 28% as of Sept. 30, to approximately $2.3 billion compared with 1981's estimated total of $1.8 billion.

The asset mix as of that date was 45% bonds, 33% stocks, 14% cash equivalents and 8% mortgages.

In-house managed assets total $250 million, which are in short-term investments. Also, $200 million is in an indexed account.

Valley National Bank of Arizona, Alliance Capital, Invesco Capital, Kemper Financial, Bernstein-Macauley and Fiduciary Trust of New York are balanced managers for the fund. Valley National Bank also handles mortgages.

Max Sullivan is director and John Hendricks is investment manager of the fund.

Arkansas Teacher Retirement System

	($ millions)
Total assets	611
Pension	611
Profit-sharing	na
Thrift or savings	na
Employer contributions	60
Benefit payments	3.8

LITTLE ROCK—The Arkansas Teacher Retirement System's employee benefit assets rose modestly, as of Sept. 30, 1982, to $611 million from 1981's total of $602 million. The entire amount is pension assets.

In-house managed assets total $86 million, with 51% in short-term investments and 49% in mortgages.

The overall asset mix is 29% stocks, 58% bonds, 7% cash equivalents and 6% mortgages.

The Arkansas Teacher Retirement system uses options as a hedging device.

Oppenheimer Capital provides investment advice on both stock and bond investments for the Arkansas Teacher System.

Mr. Hubert Blanchard is executive director and Mavolene Booth is assistant director for investments.

Armco Inc.

	($ millions)
Total assets	1,259
Pension	1,031
Profit-sharing	7
Thrift or savings	221
Employer contributions	169
Benefit payments	181

MIDDLETOWN, OH.—Paul Chenault and Clifford Stahl resigned their posts as president and vp of Armco Investment Management to start their own firm. Armco Investment is the investment management subsidiary for Armco. In response to the departures, the company moved inhouse-run equity assets to external bond managers.

In addition, Armco named Chase Manhattan as master trustee for its employee benefit assets after former master trustee Chemical Bank dropped the service.

Employee benefit assets decreased in 1982 by 1.7%, to $1,259 million, from $1,281 million last year.

The company manages $365.8 million in assets internally through Armco Investment. Of that, 48% of that is invested in equities, 6% is in fixed income and 46% is invested in short-term investments.

Outside equity managers are Capital Guardian and Thorndike Doran Paine & Lewis. External fixed income managers are Equitable Life Assurance Society and Rosenberg Capital Management. RREEF is the real estate adviser.

Alternative investments used include options, financial futures and venture capital.

The asset mix as of Sept. 30 was 47.5% equities, 22.9% fixed income, 16.6% cash equivalents and 13% real estate equity.

Profit-sharing assets are invested 59% in company stock, 8% in other stock, 11% in bonds and 22% in other investments.

R.J. Lambrix is president of Armco Investment Management

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Inc., and M.E. Smith is executive vp of the firm.

Ashland Oil Inc.

	($ millions)
Total assets	546
Pension	346
Profit-sharing	2
Thrift or savings	198
Employer contributions	24
Benefit payments	9

ASHLAND, KY.—Ashland Oil moved into internal bond management in June with an initial allocation of $10 million and a ceiling of 10% of the total pension fund. The fund now has $31.1 million invested internally, of which $5.8 million is equity, $20.5 million is fixed income and $4.8 million is short term.

Total assets in 1982 increased 7.7% from last year's total of $506 million.

As of Sept. 30, 1982, the assets were invested 33.3% in stocks, 12.9% in bonds, 19.9% in cash equivalents, 7.2% in real estate equity and 26.7% in GICs.

Profit-sharing assets as of September were invested 33% in stocks, 33% in bonds and 34% in other types of investments.

Ashland Oil's fund uses options.

Equity managers for Ashland Oil are Forstmann-Leff Associates, Sanford C. Bernstein & Co., Bankers Trust Co., Equitable Life, and Morgan Guaranty Trust Co. Texas Commerce Bank and Hoisington Investment Management are bond managers along with Bankers Trust-London, which manages Eurodollar floating rate notes. Prudential Insurance Co. of America and Equitable handle real estate investments and Loomis, Sayles & Co., Memphis, handles equity options.

The company's master trustee is Bankers Trust Co., New York.

John Stettler, assistant treasurer, Kim Turkington, investment funds analyst, and Charles Russell, administrative vp-finance, oversee the investment management.

Atlantic Richfield Co.

	($ millions)
Total assets	2,100
Pension	1,600
Profit-sharing	na
Thrift or savings	500
Employer contributions	140
Benefit payments	145

LOS ANGELES—Employee benefits for Atlantic Richfield Co. have increased about 11% for the 12-month period ending Sept. 30.

Outside equity managers are Jennison Associates Capital Corp., Bernstein-Macaulay, G.T. Capital and Warburg Investment Management.

Fixed-income managers are Fiduciary Trust Co., Hoisington Investment Management, Morgan Guaranty Trust, Trust Co. of the West and Fiduciary Trust.

International managers are Rowe Price-Fleming International, Fidelity International, G.T. Capital, Capital Guardian and Warburg Investment International.

About $900 million is managed internally, of which 55% is in equities, 39% is in fixed-income and 6% is in short-term investments.

The fund also has $80 million invested in guaranteed investment contracts.

The key man in charge of the pension fund is Howard H. Ockelmann, investment officer.

B

Bakery and Confectionary Union & Industry

	($ millions)
Total assets	845*
Pension	845*
Profit-sharing	na
Thrift or savings	na
Employer contributions	106
Benefit payments	na

*according to the 1983 Money Market Directory

KENSINGTON, MD.—The Bakery and Confectionary Union & Industry's employee benefit assets totaled $845 million as of May 1982, according to the 1983 Money Market Directory. The entire amount is pension assets.

According to the Blue Book of Pensions, the asset mix is 41% stocks, 51% bonds, 4% cash equivalents, 2% mortgages and 2% GICs.

Managers listed in the Money Market Directory are Manufacturers Hanover, MH/Edie Investment Counsel, National Bank of Washington, T. Rowe Price, Travelers, Wertheim Asset and National Savings and Trust Co.

First American Bank, Washington, is custodian of the fund.

John J. Fleming is administrative director.

Baltimore Retirement System

	($ millions)
Total assets	607
Pension	607
Profit-sharing	na
Thrift or savings	na
Employer contributions	29
Benefit payments	6

BALTIMORE, MD.—The Baltimore Retirement System in 1982 started a program which will provide $30 million for below-market residential and commercial mortgages. It is system's first mortgage financing since a 1969 project.

Total plan assets rose 17% to $607 million by Sept. 30, up from $518 the previous year. Those assets are split between the $256 million Baltimore City Employee Retirement System and the $351 million Fire & Police Employee Retirement System.

The asset allocation is 43% in equities, 46% in bonds, 10% in cash equivalents, and 1% in mortgages.

State Street Research is a core manager, handling both stocks and bonds; Oppenheimer Capital Corp. and Fayez Sarofim & Co. are specialty balanced managers.

Other equity managers are Delaware Investment Advisers and Pioneering Management Corp. Bond managers are Mercantile Safe Deposit & Trust Co. and Putnam Advisory Co. Mercantile also serves as custodian for the retirement system. Equitable Trust Co. handles mortgages.

Personnel overseeing the system's assets are Max F. Leslie, administrator, Ernest Glinka, deputy administrator, and Thomas P. Taneyhill, accounting supervisor.

Batus Inc.

	($ millions)
Total assets	544
Pension	484
Profit-sharing	60
Thrift or savings	na
Employer contributions	33
Benefit payments	28

LOUISVILLE, KY.—Batus Inc.'s employee benefit funds include those of Marshall Field & Co., which the firm acquired last year.

As well as incorporating some of Marshall Field's managers, Batus hired Aldrich, Eastman & Waltch in the last quarter of 1982 in a reallocation of 4% of the fund's assets into real estate investments. The amounts in stock and bond investments were lowered by 2% each to facilitate the move.

Batus' employee benefit assets were $544 million, as of Sept. 30, 1982.

The pension fund's asset mix is 53% stocks, 21% bonds, 13% cash equivalents and 13% GICs.

The profit-sharing mix is 80% GICs and 20% other stock.

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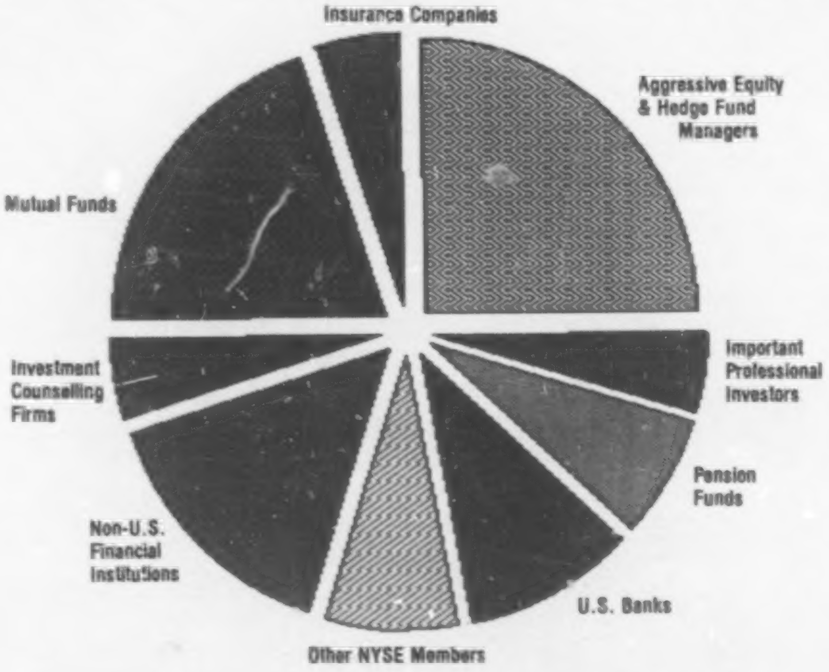

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indexed assets total $47 million.

Equity investment managers are American National Bank; Fred Alger; First Pacific; Hellman, Jordan Management; Lynch & Mayer; McKenzie Walker Investment; and RCB Group Trust. Handling real estate is Aldrich, Eastman & Waltch and Trust Co. of the West Realty. Bond managers are Lehman Management and Jennison Associates. The fund has a GIC with Equitable.

First Kentucky Trust Co. is master trustee.

Thomas Smith is director of benefit finance and Karen Comerford is financial analyst.

Bechtel Power Corp.

	($ millions)
Total assets	650
Pension	na
Profit-sharing	650*
Thrift or savings	na
Employer contributions	na
Benefit payments	na

*profit sharing and thrift plan combined

SAN FRANCISCO—Vincent P. Kuhn Jr. replaced David Redo in 1982 as manager-trust and thrift funds for Bechtel Power Corp.

The company's thrift and profit-sharing plans had combined assets of $650 million as of Sept. 30. The company would not supply figures on the breakdown between the two plans, nor would they disclose their asset mixes.

In 1982, Bechtel hired Glickenhaus & Co. for equities and T. Rowe Price for bonds. Other equity managers are Batterymarch, Columbia Management, IDS Advisory and Chase Investors.

Other bond managers are Pacific Investment Management and Crocker Investment Management. Prudential, Equitable, Aetna and First National Bank of Boston handle real estate, and G.T. Capital and Morgan Guaranty manage international investments.

Master trustee is Wells Fargo. About $127 million is managed internally, of which 42.5% is in fixed income and 57.5% is in short-term.

In addition to Mr. Kuhn, the other key employee overseeing the fund is Richard E. Holmes, trust and thrift investments manager.

Bendix Corp.

	($ millions)
Total assets	1,387
Pension	1,027
Profit-sharing	na
Thrift or savings	360*
Employer contributions	125
Benefit payments	na

*as of January 1983

SOUTHFIELD, MI.—This year, the Bendix Corp. eliminated long-term, fixed-rate securities from its pension fund, although it still holds some old insurance company contracts.

The fund raised to 90% from 65% its ceiling on equities, and to 20% from 15% its equity real estate ceiling; realty holdings now constitute 17% of the fund.

Total employee benefit assets stand at about $1.38 billion.

The fund had $1.027 billion in pension plan assets as of Sept. 30.

It also has a savings plan invested in company stock, but Mr. Gillette could not determine its value for Sept. 30, because at that time, Martin Marietta Corp. had made a tender offer for Bendix's stock in a takeover counteroffer; Citibank at the time held in trust the savings plan's 4.5 million Bendix common shares, and there was a dispute over whether those shares could be tendered. The shares are now trading around at about $80, making the total about $360 million.

The fund's asset mix is 62% stocks, 17% equity real estate and 15% cash, and 6% GICs and insurance company general account contracts. It doesn't invest in alternative investments or in international equities.

Bendix's equity managers are Batterymarch Financial, Dodge & Cox, Eagle Management, IDS Advisory, Lincoln Capital, Neuberger & Berman, NSR Asset Management, Roulston, and Weiss, Peck & Greer.

Real estate managers are Aetna, John Hancock, Prudential, Rosenberg Real Estate Equity and Travelers. Travelers, Equitable and Metropolitan Life hold the funds GIC contracts.

With the liquidation of its bond portfolio, bond managers Alliance Capital, Morgan Guaranty, National Bank of Detroit and Scudder, Stevens & Clark were terminated. The Northern Trust is its master trustee.

In addition to Mr. Gillette, D.R. Kayser, senior vp and chief financial officer and Bernard Winograd, treasurer, oversee the fund's investments.

Bethlehem Steel Corp.

	($ millions)
Total assets	2,000
Pension	2,000
Profit-sharing	na
Thrift or savings	na
Employer contributions	290
Benefit payments	520

BETHLEHEM, PA.—Bethlehem Steel Corp.'s pension plan maintained assets at $2 billion throughout the year ending Sept. 30, 1982. However, the portfolio mix was changed.

The company, which manages its own funds in-house, decreased its equity holdings to 63% of its total assets from 70% the previous year.

At the same time, the bond portfolio was fattened to 30% of the total compared with 24% in 1981. Cash holdings account for the remaining 7% of all holdings.

About $120 million of the total fixed income portion is held in guaranteed investment contracts.

D.T. Dunbar is the pension fund manager.

Boeing Co.

	($ millions)
Total assets	3,200
Pension	2,300
Profit-sharing	900
Thrift or savings	na
Employer contributions	na
Benefit payments	na

SEATTLE—Pension assets for Boeing Co. increased 21% to $3.2 billion for the 12-month period ending September, and 17% of the increase was due to investment performance, according to Gary Bland, manager/trust investments.

While most plan sponsors are hiring some managers and firing others, Boeing Co. has kept all 23 managers for its pension and profit-sharing plans for a 12-month period, Mr. Bland said.

At year-end, he added, he had not completed a joint venture real estate investment concerning a hotel. However, about 14% of the pension assets already was invested in real estate and mortgages by Sept. 30, 1982. About 50% of the portfolio was invested in equities, 21% in bonds and 15% in cash equivalents.

Managers for the pension fund are Bankers Trust Co., Capital Guardian Trust Co., Century Capital Associates, Citibank, Crocker Investment Management, IDS Advisory, MacKay-Shields Financial, Morgan Guaranty Trust, The Pacific National Bank of Washington, Provident Capital Management, Prudential Insurance Co. of America, Rosenberg Capital Management, Security Pacific Investment Management and TCW Asset Management.

Managers for the voluntary investment plan are Aetna Life & Casualty Co., Alliance Capital, Brown Bros. Harriman, Chase Investors, The First National Bank of Chicago and Pringle, Flinn, Elvins & Donahoe. Managers for the financial security plan, which has been reclassified under another investment heading, are Chase Investors, Massachusetts Financial Services and Seattle First National Bank.

Master trustee is Chase Manhattan.

Mr. Bland is the key person in charge of the plan.

Boilermakers, Blacksmiths National Pension Trust

	($ millions)
Total assets	1,075
Pension	1,075
Profit-sharing	na
Thrift or savings	na
Employer contributions	88
Benefit payments	42

KANSAS CITY, KS.—Total assets of the Boilermakers, Blacksmiths National Pension Trust were $1,075 million as of Sept. 30, up 29% from $832 million the previous year.

The union fund's asset mix was 31% in stocks, 39% bonds, 7% cash equivalents, 11% real estate, and 12% GICs.

Managers for the fund are Crocker Investment Management Corp.; Financial Counselors Inc.; Lehman Management Co.; Loomis, Sayles & Co.; McMorgan & Co.; Neuberger & Berman; Prudential Insurance Co. of America; Scudder, Stevens & Clark; and Trust Co. of the West.

The fund managed $6.4 million internally, all of it in short-term investments.

Also, the fund had about $50 million in two immunized bond portfolios.

Callan & Associates was investment consultant.

Key personnel are Charles Woelfer, chairman of the board, and David Lewis, secretary and treasurer.

C

California Public Employees Retirement System

	($ millions)
Total assets	13,507*
Pension	13,507
Profit-sharing	na
Thrift or savings	na
Employer contributions	1,393
Benefit payments	962

*as of June 30, 1982

SACRAMENTO—Early this year, Melvin Petersen resigned as chief investment officer of the California Public Employees Retirement System to head its sister fund, the California State Teachers Retirement System. By June of 1983, the latter fund is expected to be managed separately from the employees system.

Sidney C. McCausland, deputy executive director of the public employees' fund, is serving as acting chief investment officer until a permanent one is named.

In addition, at year-end, it appeared the California Public Employees Retirement System investment committee had made a tentative decision to hire an outside index manager.

The PERS fund is managed in-house, and the hiring of an index manager was only one of several major changes that were under consideration or in process for the fund.

In real estate, the PERS board of trustees agreed to spend $210 million for an 81% interest in the U.S. Steel corporate office building in Pittsburgh. It was the largest single real estate purchase of the PERS

Top 25 corporate funds

Rank	Fund	Assets ($ millions)
1.	American Telephone & Telegraph Co.	45,600
2.	General Motors Corp.	15,800
3.	General Electric Co.	9,368
4.	International Business Machines	6,986
5.	Ford Motor Co.	6,611
6.	E.I. du Pont de Nemours and Co.	6,143
7.	U.S. Steel & Carnegie Pension Fund	5,566
8.	Exxon Corp.	5,510
9.	GTE Corp.	3,900
10.	Eastman Kodak Co.	3,665
11.	Mobil Oil Corp.	3,500
12.	Rockwell International	3,500
13.	United Technologies Corp.	3,325
14.	Boeing Co.	3,200
15.	Shell Oil Co.	3,172
16.	Sears, Roebuck & Co.	3,056
17.	Westinghouse Electric	2,815
18.	McDonnell Douglas Corp.	2778
19.	Lockheed Corp.	2,729
20.	Standard Oil Co. of California	2,645
21.	United Air Lines Inc.	2,510
22.	Standard Oil Co.(In.)	2,320
23.	Atlantic Richfield Co.	2,100
24.	Union Carbide Corp.	2,051
25.	Caterpillar Tractor	2,020
	TOTAL	150,870

Top 25 public funds

Rank	Fund	Assets ($ millions)
1.	New York State Common Retirement Fund	16,968
2.	New York City Retirement Systems	15,953
3.	California Public Employees Retirement System	13,507
4.	New York State Teachers' Retirement System	9,975
5.	Teacher Retirement System of Texas	7,313
6.	California State Teachers Retirement System	7,298
7.	Michigan State Employees Retirement System	6,339
8.	Ohio Public Employees Retirement System	6,291
9.	Wisconsin Investment Board	6,184
10.	Ohio Teachers Retirement System	6,176
11.	New Jersey Division of Investment	6,150
12.	North Carolina Retirement System	6,073
13.	Florida State Board of Administration	4,659
14.	Pennsylvania School Employees Retirement System	4,230
15.	Minnesota State Board of Investment	4,088
16.	Washington State Investment Board	3,557
17.	Los Angeles County Employees' Retirement Association	3,402
18.	Oregon Public Employees Retirement System	3,400
19.	Georgia State Retirement Systems	3,208
20.	Alabama Retirement System	3,017
21.	Pennsylvania State Employees Retirement System	3,008
22.	Illinois Teachers' Retirement System	2,890
23.	Maryland State Retirement Systems	2,890
24.	Colorado Public Employees Retirement Association	2,760
25.	Virginia Supplemental Retirement System	2,600
	TOTAL	151,936

Top 10 union funds

Rank	Fund	Assets ($ millions)
1.	Teamsters, Western Conference	3,789
2.	Teamsters, Central States	3,721
3.	United Mine Workers of America, Natl. H.Q.	1,912
4.	International Brotherhood of Electrical Workers	1,282
5.	Boilermakers, Blacksmiths National Pension Trust	1,075
6.	Bakery and Confectionery Union & Industry	845
7.	Operating Engineers, International Union of	752
8.	Marine Engineers Beneficial Association	643
9.	Machinists and Aerospace Workers	600
10.	Garment Workers International Headquarters	545
	TOTAL	15,184

Miscellaneous funds

Rank	Fund	Assets ($ millions)
1.	United Nations Joint Staff Pension Fund	2,600
2.	United Methodist Church	1,107
3.	Tennessee Valley Authority	1,020
4.	Southern Baptist Convention	947
5.	World Bank Staff Retirement Plan	700
6.	National Rural Electric Cooperative Association	690
7.	United Presbyterian Church Pension Board	678
8.	Episcopal Ministers' Church Pension Fund	600
	TOTAL	8,342

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January 12, 1983

fund so far, and one of the largest single real estate purchases of any public fund.

By June 1982, the market value of the total fund had increased 14% from the previous 12 months.

The asset mix as of June was, at market value, 26.4% stocks, 48.7% bonds, 2.2% cash equivalents, 0.6% equity real estate and 22.1% mortgages.

In addition to Mr. McCausland, key personnel for the fund includes Walton R. Williams, principal investment officer.

California State Teachers Retirement System

	($ millions)
Total assets	7,298*
Pension	7,298
Profit-sharing	na
Thrift or savings	na
Employer contributions	429
Benefit payments	696

*as of June 30, 1982

SACRAMENTO—Beginning in January 1983, the process of separating the investment of assets of the California State Teachers Retirement Assets from the California Public Employees Retirement System investment operation will officially begin. It is expected to be completed by the end of June.

Mel Petersen, previously with the state employees' fund, resigned that position early this year to head the teachers' fund.

With the break, it will be the first time in 20 years that investment of teachers' retirement assets hasn't been handled by the public employees' fund investment staff. The teachers' retirement system had signed an "interagency agreement" with the public employees' fund for investment management, which is run entirely in-house.

According to legislative officials, the separation will bring about a larger state investment staff, which legislators believe is needed.

It also is hoped that the split will result in more outside advisers for the two largest state funds. All investments are handled in-house, but the funds get advice, not actual management, from outside advisers.

Early in 1982, the teachers' fund added Traveler's Investment Management Co. as an equity adviser.

As of June, the teachers' fund had 23.4% of assets invested in mortgages, but had no equity real estate. It also had 23.1% in stocks, 49.3% in bonds and 4.2% in cash equivalents.

Caterpillar Tractor

	($ millions)
Total assets	2,020
Pension	1,760
Profit-sharing	260
Thrift or savings	nc
Employer contributions	na
Benefit payments	na

PEORIA—Total employee benefit assets at Caterpillar Tractor increased 14.7% from $1,760 million in 1981 to $2,020 million at the end of September 1982.

The asset mix of the pension fund includes 52% in stocks, 28% in bonds, 12% in cash equivalents, and 8% in real estate equity.

All of the profit-sharing assets are in company stock.

The pension fund managers are: Aetna Life & Casualty Co.; Chase Investors; Citibank; Equitable Life; First National Bank of Chicago; Fischer, Francis, Trees & Watts; Institutional Capital Corp.; Jennison Associates Capital Corp.; LaSalle Street Fund; Morgan Guaranty Trust; Oppenheimer Capital; State Street Research Management; Thorndike, Doran, Paine & Lewis; and Travelers Insurance Co.

Frank Russell Co. is the consultant and The Northern Trust Co. is master trustee.

M.W. Coon, manager, employee benefit funds, is the key person involved in overseeing the investment management of the funds.

Celanese Corp.

	($ millions)
Total assets	780
Pension	530
Profit-sharing	na
Thrift or savings	250
Employer contributions	15
Benefit payments	10

NEW YORK—Celanese Corp. made two new moves in equities in 1982: It hired Morgan Grenfell Investment Services and Yamaichi International Capital Management to manage $25 million in international stocks, and Dimensional Fund Advisors Inc. to run $10 million in a small capitalization stock fund.

Bankers Trust Co. continues as manager of the rest of Celanese's index fund assets, which now stand at $85 million.

Pension assets were up 11.4% as of Sept. 30, 1982, from $700 million the previous year.

Fred Alger Management, Neuberger & Berman Pension Management and Hellman Jordan Management Co. remain as equity managers; Roulston & Co. was deleted.

Alliance Capital Management Corp. and Hoisington Investment Management are fixed-income managers; the Prudential Insurance Co., InterFirst Bank of Dallas and Chase Investors manage real estate; and Oppenheimer Capital Corp. manages options. Celanese uses oil and gas investments. Chase Manhattan is the master trustee.

The pension assets as of Sept. 30

were 51% in equities, 11% in fixed income, 22% in cash equivalents and 16% in equity real estate.

Savings assets are 70% in Celanese stock, 15% in other equities and 15% in other investments.

Charles S. Stephens in assistant controller.

Chicago Municipal Employees' Annuity & Benefit Fund

	($ millions)
Total assets	717*
Pension	717
Profit-sharing	na
Thrift or savings	na
Employer contributions	52
Benefit payments	64

*as of November 1982

CHICAGO, IL.—The Chicago Municipal Employees' pension fund assets rose to $717 million as of November 1982, a 40% increase from 1981's total of $513 million.

The asset mix was 21% stocks and 79% bonds. Consistent with the cut on cash holdings begun in 1981, there was nothing held in cash in 1982, while bond and stock holdings were increased slightly.

Alliance Capital Management and Trident Investment Management are balanced managers; Bankers Trust is the fund's bond manager.

The board of trustees oversees the investment of the fund.

Chicago Teachers Retirement Fund

	($ millions)
Total assets	1,280*
Pension	1,280
Profit-sharing	na
Thrift or savings	na
Employer contributions	109
Benefit payments	85

*as of Aug. 31, 1982

CHICAGO—Late in 1982, Chicago Mayor Jane Byrne proposed to bring all five of Chicago's public funds, including the Chicago Public Teachers Pension and Retirement Fund, under the administrative umbrella of a "municipal investment board." Her suggestion was based on the findings of a special committee, which reviewed returns of the funds and deemed them unsatisfactory.

The total employee benefit assets of the teachers fund increased 43% to more than $1.2 billion as of Aug. 31, 1982, from $889 million in 1981. The full amount is pension assets and is managed internally.

The asset mix is 61% bonds, 21% cash equivalents and 18% stocks.

Capital Supervisors serves as an investment adviser for the system's assets.

James F. Ward is executive director.

Chrysler Corp.

	($ millions)
Total assets	1,270
Pension	1.240
Profit-sharing	na
Thrift or savings	30
Employer contributions	260
Benefit payments	330

DETROIT—Chrysler Corp. this year selected Bankers Trust as master trustee for its $1,270 million in employee benefit assets.

In addition, Sanford C. Bernstein & Co. and E.F. Hutton Capital Management were named as equity managers, and Merrill Lynch was selected to manage an individual retirement account program introduced by the company. A 401(k) plan also was introduced in 1982.

Assets decreased 1.2% in 1982, down from $1,286 million the previous year.

About $15 million is managed internally, all of it in bonds.

Chrysler also has about $10 million in international fixed-income investments.

The company declined to provide its asset mix.

Equity managers in addition to the two added are Alliance Capital Management, Avatar Associates, Chase Investors Management Corp., Endowment Management & Research Corp., Forstmann-Leff Associates, Merrill Lynch Asset Management, and Prudential Insurance Co.

Fixed-income managers are Manufacturers Hanover Trust Co., Morgan Guaranty Trust Co. and National Bank of Detroit.

Real estate managers for the fund are Prudential Insurance Co., Eastdil Advisors, RREEF, JMB Institutional Realty, John Hancock, Bank of America and Morgan Guaranty Trust.

Russell P. Flynn, manager-pension fund administration and Loan Guarantee Act compliance, and Richard K. Alverson, manager-pension fund administration, oversee management of employee benefit assets.

CIGNA Corp.

	($ millions)
Total assets	655*
Pension	497
Profit-sharing	94
Thrift or savings	64
Employer contributions	66
Benefit payments	21

*as of Dec. 31, 1981

HARTFORD, CT.—This year Connecticut General Corp. merged with INA Corp. forming CIGNA Corp.

Total CIGNA pension, profit-sharing and thrift assets as of Dec. 31, 1981, were $655 million. The $20.8 million paid out to retirees in 1982 is for defined benefit plan participants only.

All assets are managed internally by the CIGNA Investment Management Co.

On Nov. 30, 1982, the mix of pension assets was 45.8% stocks, 48.3% bonds (which includes investments in the insurance company general account), 1.6% in equity real estate, 0.5% in oil and gas and 3.8% in cash investments.

Of CIGNA's $10 million of pension assets in foreign markets, $4 million is in equity and $6 million in bonds.

Profit-sharing assets are 30.6% in CIGNA stock, 21.2% in other equities and 48.2% in fixed-income instruments.

John K. Armstrong is executive vp and chief investment officer.

Citibank

	($ millions)
Total assets	785
Pension	684
Profit-sharing	101
Thrift or savings	na
Employer contributions	49
Benefit payments	29

NEW YORK—Total employee benefit assets at Citibank stood at $785 million as of Sept. 30.

All pension and profit-sharing assets are managed internally.

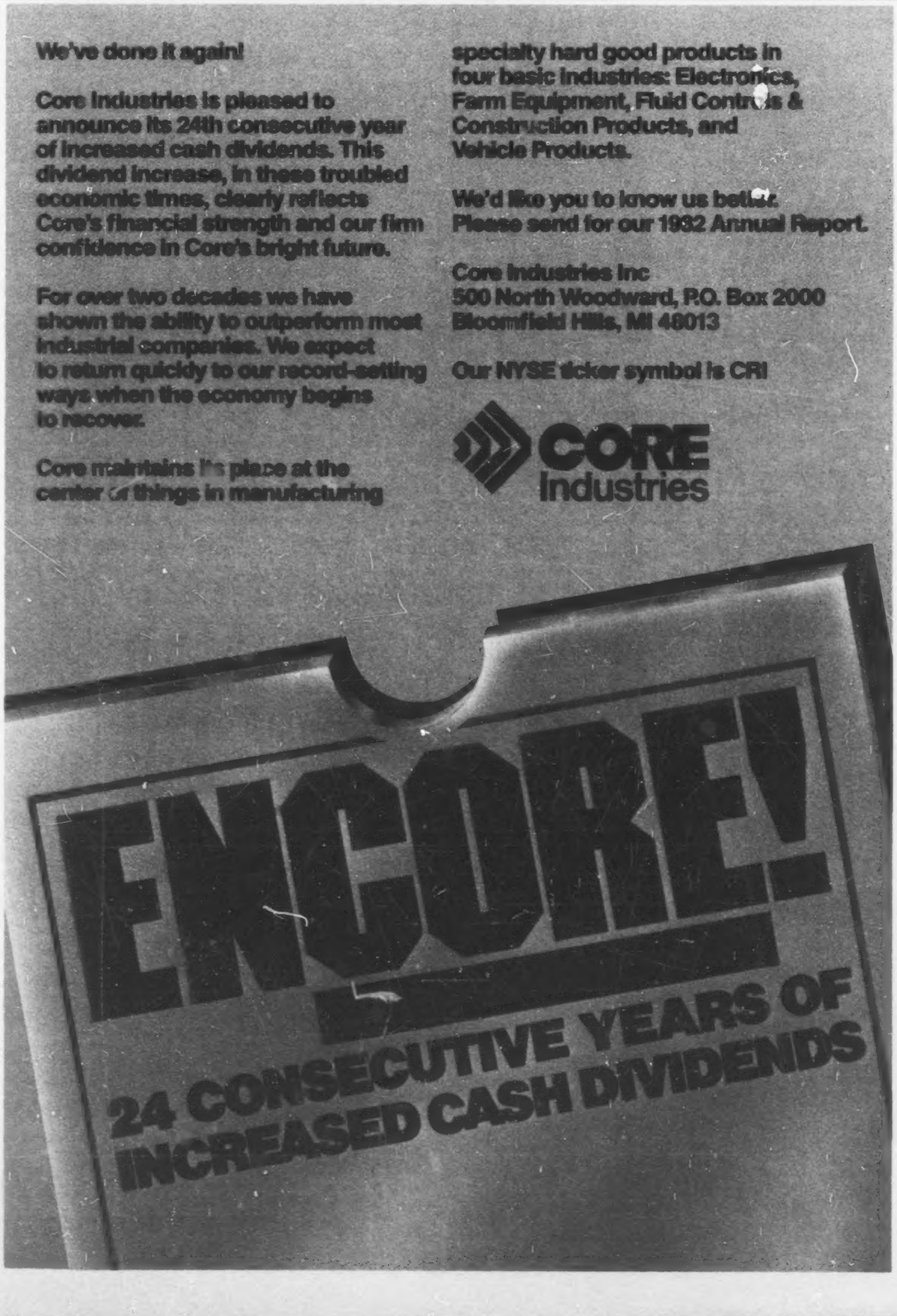
The asset mix as of Sept. 30, 1982, was 56% stocks, 29% bonds, 4% cash equivalents and 11% real estate equity. The asset mix of the profit-sharing plan was 57% company stock, 6% other stock, 27% bonds and 10% other investments.

The fund has $34.8 million invested internationally, $26.6 million in equities and $8.2 million in bonds. It also uses venture capital and oil and gas investments.

Peter Vermilye, chief investment officer and Donald Young, vp and portfolio manager, oversee the investment of the assets.

Cities Service Co.

	($ millions)
Total assets	1,030
Pension	665
Profit-sharing	na
Thrift or savings	365
Employer contributions	55
Benefit payments	26



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CORE Industries

TULSA, OK.—Jeff W. Manson was appointed director of benefits planning, financial administration, at Cities Service in June. He succeeded R.W. Woollen, assistant treasurer, who retired early.

The plan's total assets increased 9.8% to $1,030 million from $938 million in 1981.

As of Sept. 30, 1982, the asset mix was 42% stocks, 23% bonds, 8% cash equivalents, 1% real estate equity and 26% annuities for retired lives.

The company has $37 million of its pension assets in GICs, and $1 million in foreign equities.

Its thrift plan asset mix is 65% company stock, 8% bonds, 24% GICs and 3% other stocks.

Equity managers for the fund are Equitable; Morgan Guaranty; Rothschild Asset Management; Eagle Management & Trust; Vaughan, Nelson & Hargrove; Chase Investment Counsel; Fiduciary Trust; Endowment Management & Research; and Manufacturers Hanover Trust.

State Street Research and Management, Morgan Guaranty and Manufacturers Hanover handle bonds.

The company has GICs with Aetna Life & Casualty Co., John Hancock Mutual Life Insurance Co., and Metropolitan Life Insurance. Morgan Guaranty is a real estate manager, while the annuities are held by Equitable.

Jeff W. Manson is director of benefit planning, and W.K. Witmer is treasurer.

Colorado Public Employees Retirement Association

	($ millions)
Total assets	2,760
Pension	2,760
Profit-sharing	na
Thrift or savings	na
Employer contributions	210
Benefit payments	150

DENVER—The Colorado Public Employees Retirement Association's benefit assets rose 35% to approximately $2.7 billion, as of Sept. 30, 1982, from 1981's total of $2 billion.

The entire amount is pension assets and it is all managed in-house.

The asset mix as of Sept. 30 was 37% stocks, 35% bonds, 18% private investments and 10% cash equivalents.

The fund has $69 million invested in GICs. In addition, venture capital is used as an alternative investment.

Norman Jaskol is assistant executive secretary.

Commonwealth Edison

	($ millions)
Total assets	876
Pension	876
Profit-sharing	na
Thrift or savings	na
Employer contributions	54*
Benefit payments	na

*from 1981 annual report

CHICAGO—Commonwealth Edison's employee benefit assets increased to $876 million as of Sept. 30, 1982, a 22% increase from 1981's total of $720 million.

According to the 1983 Money Market Directory, Commonwealth Edison has one plan, the combined service annuity funds. In addition, the company has an employee stock ownership plan, with assets of about $6 million.

Commonwealth Edison would not reveal the asset mix of the pension plan.

Assets are managed in-house.

According to the Money Market Directory, the First National Bank of Chicago is custodian.

Ernest Roth is manager of investments.

Connecticut Retirement Systems

	($ millions)
Total assets	2,000
Pension	2,000
Profit-sharing	na
Thrift or savings	na
Employer contributions	210
Benefit payments	212

HARTFORD, CT.—The Connecticut Retirement Systems complied with a stiffer social investing law in 1982 by starting to divest securities of U.S. companies operating in South Africa.

The law, passed in spring of 1982, adds more limits to a 1980 law restricting pension investments to U.S. companies that had signed the Sullivan Principles.

In all cases, companies were being contacted directly about correcting problems before the fund sold any securities.

Also during 1982, Frank McDermott, deputy treasurer investments, joined the system as a successor to Lee Van Meter, who is now director-investment accounts with Aetna Life & Casualty Co.

In other socially minded investment action, the state fund committed $60 million to in-state mortgages, raising the total invested in such residential mortgages to $90 million. The fund also named its first three real estate equity advisers, investing $50 million in open-end funds run by Aetna Life & Casualty Co., The Travelers and Connecticut General Life Insurance Co., Bloomfield, Ct.

Total assets increased by 25% to $2 billion from $1.6 billion last year. About $915 million is managed internally, of which $750 million is fixed-income and $165 million is short-term investments.

About 2% of total assets is in GICs, and the overall asset mix is 31% stocks, 51% bonds, 8% cash equivalents, 3% real estate equity and 5% mortgages.

The equity managers are David L. Babson, Bernstein-Macaulay, Capital Guardian Trust Co., Connecticut Bank and Trust, CIGNA, and Connecticut National Bank (formerly Hartford National Bank). The bond manager is Scudder, Stevens & Clark.

Custodians are Connecticut Bank and Trust for equities and Connecticut National Bank for bonds.

In addition to Mr. McDermott, state Treasurer Henry E. Parker oversees pension investments for the state system.

Conoco Inc.

	($ millions)
Total assets	1,300
Pension	597
Profit-sharing	na
Thrift or savings	703
Employer contributions	na
Benefit payments	na

STAMFORD, CT.—The Conoco Inc. retirement plans continue to be run independently of the E.I. Du Pont de Nemours and Co. pension funds despite the Du Pont-Conoco merger.

Conoco reports total employee benefit assets of $1,300 million as of Sept. 30, 1982, a 12.7% increase from the $1,154 million reported in 1981.

During 1982 Conoco added a corporate individual retirement account program for its employees.

In investments, Conoco decreased its contribution to the international securities markets by $7 million, and now has $10 million in international markets, all of which are in equities. In 1981, its international mix included bonds.

Conoco also increased its participation in venture capital to 1.7% of total assets, up from 1981's 1% commitment.

As of Sept. 30, the asset mix of the pension plan was 60% stocks, 12% bonds, 2% cash equivalents, 12% GICs, 13% real estate equity, and 1% other.

Equity managers for Conoco's employee benefit assets include Fred Alger Management Co., Batterymarch Financial Management, InterFirst Corp. and Value Line Asset Management.

Fixed-income managers are Fischer, Francis, Trees & Watts and Bankers Trust.

The plans also have one balanced manager—Morgan Guaranty Trust.

Real estate managers include InterFirst Corp., John Hancock Mutual Life Insurance and Travelers Insurance.

U.S. Trust is the master trustee for Conoco's pension fund and Bankers Trust is master trustee for the company's thrift plan.

Roland Hartman Jr., manager-pension investments and investor relations, is responsible for overseeing the employee benefit assets.

Consolidated Edison Co.

	($ millions)
Total assets	939
Pension	917
Profit-sharing	na
Thrift or savings	22
Employer contributions	138
Benefit payments	63

NEW YORK—Consolidated Edison starts 1983 with a new equity manager—First Manhattan Co.—and an investment in one of JMB Institutional Realty Corp.'s closed-end funds.

Employee benefit assets increased by 32.6% in 1982, to $939 million from $708 million the previous year. Employer contributions doubled while benefit payouts increased marginally.

Consolidated Edison also added Morgan Guaranty and Citibank to Prudential Insurance Co. and Travelers Insurance Co. as real estate advisers, in its move to raise its real estate equity holdings to 10% from the current 4% of pension fund assets.

The plan also increased its foreign holdings by 42.9% to $20 million, which is evenly split between foreign equities and fixed income.

Its asset mix as of Sept. 30 was 41% equities, 22% bonds, 24% GICs, 7% cash equivalents, 2% mortgages and 4% equity real estate.

Other changes include the addition of Chase Manhattan Bank as master trustee and the switch of Chemical Bank from a balanced to an equities manager.

Morgan Guaranty, Citibank and FMR Investment Management Services provide both equity and fixed-income management. Batterymarch and Dreyfus manage stocks and State Street Research & Management Co. and Harris Trust & Savings Bank manage bonds.

Aetna Life Insurance Co. handles the plan's $225 million investment in GICs. The utility also is invested in Metropolitan Life Insurance Co.'s general account. Evaluation Associates is the investment management consultant employed on a retainer basis.

Fund investments are overseen by Alfred R. Wassler, treasurer, and John N. Bell, assistant treasurer.

Continental Group Inc.

	($ millions)
Total assets	803
Pension	697
Profit-sharing	na
Thrift or savings	106
Employer contributions	na
Benefit payments	na

STAMFORD, CT.—Employee benefit assets at the Continental Group Inc. increased by 11.5% in the year ending Sept. 30, 1982, to $803 million.

Lord Abbett & Co. was named to its team of equity managers. Other equity managers are Continental Financial Services, Jennison Associates, Vilas-Fischer and Warburg Pincus. Alliance Capital and IDS Advisory remain as balanced managers while Brown Brothers, Harriman was dropped.

A Continental Group wholly owned affiliate, Continental Financial Services, is fixed-income manager.

Other managers are Equitable Life Assurance Co. and John Hancock Insurance Co. for real estate; Morgan Grenfell Investment Services Ltd. for foreign investments; Trust Co. of the West Asset Management for convertible issues; and Welsh, Carson, Anderson & Stowe for venture capital.

The asset mix in pension assets was 47% equities, 26% bonds, 10% cash equivalents, 13% equity real estate and 4% convertible issues.

Continental Group manages $5.7 million of its pension assets in-house, all in stocks.

In addition, the fund has $22.4 million invested internationally, with $20.4 million in stocks and $2 million in fixed income.

The Northern Trust Co. is the master trustee.

Continental Group started a 401(k) plan last year.

Walter R. Good is vp for pension asset management.

D

Dart & Kraft Inc.

	($ millions)
Total assets	1,084
Pension	875
Profit-sharing	152
Thrift or savings	57
Employer contributions	22
Benefit payments	32

GLENVIEW, IL.—The main task for the new director of pension finance at Dart & Kraft, William H.S. Preece Jr., was the consolidation of the Dart and Kraft funds, which merged.

The task, according to Mr. Preece, should be near completion by the end of the first quarter of 1983. Part of that consolidation included the dedication of a bond portfolio in early 1982 that resulted in the termination of several managers including American Fletcher National Bank, Security Pacific and Endowment Management and Research.

Total assets now stand at about $1,084 million.

As of Sept. 30, 1982, the pension fund asset mix was 46% stocks. 13% bonds, 15% cash equivalents and 26% GICs.

About $66 million of the assets is indexed, $59 million is in dedicated bond funds and $264 million is invested in GICs.

Dart & Kraft's profit-sharing assets are 80% invested in company stocks, 5% in bonds, 10% in GICs and 5% other stocks.

The company started a 401(k) plan in 1982.

Equity managers for the fund are: Atalanta Capital; E.W. Axe & Co.; BEA Associates; Capital Guardian Trust; Delaware Investment Advisers; IDS Advisory; Manufacturers Hanover; Neuberger & Berman; Putnam; L.F. Rothschild; Ruane, Cunniff & Co.; Weiss, Peck & Greer; Bankers Trust; and Thorndike, Doran, Paine & Lewis. Fischer, Francis,

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Trees & Watts and Scudder, Stevens & Clark are bond managers.

Its master trustees are Bankers Trust Co. and Northern Trust Co.

Mr. Preece oversees investment of the funds' assets.

Deere & Co.

	($ millions)
Total assets	1,200
Pension	1,200
Profit-sharing	na
Thrift or savings	na
Employer contributions	105
Benefit payments	105

MOLINE, IL.—Recently, Deere & Co. invested an initial $2 million in Dimensional Fund Advisor's small capitalization fund. Also in the first quarter of 1982, the fund hired Batterymarch as an equity manager.

The company revealed it has been deferring its contributions to the company pension fund for a number of years in order to take advantage of the short-term cash advantages.

Total pension assets grew 29% to $1.2 billion from $925 million in 1981.

As of Sept. 30, 1982, the fund's assets were invested 70% in stocks, 18% in bonds, 10% in cash equivalents and 2% in real estate equity.

Investment in foreign markets totaled $20 million, with $12 million in equities and $8 million in fixed instruments.

The fund also invests in venture capital as an alternative investment.

In-house managed equities increased to $700 million in 1982 from $440 million in 1981. Of this, $560 million is in equities, $130 million is in fixed-income investments and $10 million is in short-term.

Alliance Capital and Morgan Guaranty are balanced managers for the fund. Batterymarch and Wright Investors handle equities and Brown Brothers, Harriman handles bonds. Morgan Guaranty also manages some real estate investments for Deere.

The company's master trustee is Boston Safe Deposit.

Greta Marshall is director of investments.

Delta Air Lines Inc.

	($ millions)
Total assets	1,200
Pension	1,100
Profit-sharing	na
Thrift or savings	100
Employer contributions	na
Benefit payments	na

ATLANTA, GA.—In 1982, Delta Air Lines reportedly named Harris Trust & Savings Bank as its master trustee.

In 1981, Delta reported total employee benefit assets of $800 million; as of Sept. 30, 1982, assets had swelled 50% to $1.2 billion.

Delta declined to reveal further information about the fund's investment.

W. Allen Reed is assistant treasurer.

Detroit Retirement Systems

	($ millions)
Total assets	1,490*
Pension	1,490*
Profit-sharing	na
Thrift or savings	na
Employer contributions	166*
Benefit payments	130*

*combined, as of June 30, 1982

DETROIT—The Detroit Retirement Systems' fund was the first client signed by the real estate arm of the newly formed Mellon Financial Services, the New York advisory division of the Pittsburgh-based bank. As a result, Merrill Lynch Hubbard was dropped.

The two funds in the Detroit Retirement Systems, the General Retirement System and the Policemen and Firemen System, had combined assets of almost $1.5 billion, as of June 30, 1982 (fiscal year 1982).

The general system had total pension assets of $794 million. Of the total, $144 million was handled in-house in short-term investments. Contributions to the fund totaled $67.7 million; benefit payments were $54.7 million.

The asset mix for the general system was 17.2% stocks, 34.3% bonds, 17.8% cash equivalents, 16% mortgages and 14.7% annuity contracts.

The general fund has $63.5 million invested in GICs.

Balanced managers for the Detroit General Retirement System are Comerica Bank, Detroit, Scudder, Stevens and Clark and Alliance Capital Management. Custodian is Comerica Bank.

The policemen and firemen's fund had $696 million in pension assets at the end of the fiscal year. Of the total, $77.2 million was held in-house, with $26.8 million in fixed-income investments and $50.4 million in short-term. Contributions to the fund totaled $98.2 million; benefits paid were $75.2 million.

The police and firemen's fund asset mix as of June was 16% stocks, 34% bonds, 17% cash equivalents, 23% mortgages and 10% GICs.

The Policemen and Firemen System has $1.8 million invested in international fixed-income markets.

Equity managers are City National Bank of Detroit and Oppenheimer.

Putnam and Loomis, Sayles handle bonds. Custodian for the system is Manufacturers National Bank of Detroit.

Fred Murphy is the executive secretary for both systems.

Dow Chemical Co.

	($ millions)
Total assets	1,105
Pension	1,010
Profit-sharing	95
Thrift or savings	na
Employer contributions	105
Benefit payments	100

MIDLAND, MI.—Dow Chemical made its first direct real-estate investment last year by taking a 10-year first mortgage on a seven-story Houston office tower.

Earlier real estate investments had been via pooled or commingled funds.

It also started a corporate individual retirement account program, with a payroll deduction option.

As of Sept. 30, 1982, the approximate asset mix of the pension portfolio was 50% stocks, 27% bonds, 20% cash equivalents and 3% equity real estate.

The fund uses options as a hedging device.

Of the $1,010 million in pension assets, $525 million is managed internally. Of this, $180 million is in equity investments, $220 million is in fixed-income, and $125 million is in short-term instruments.

About $30 million of the pension assets is invested in guaranteed investment contracts, and $17 million is in foreign markets.

Of the foreign investments, $9 million is in equities, and $8 million is in fixed income.

All of the $95 million profit-sharing assets are invested in company stock.

Equity managers for the fund are National Bank of Detroit, D.L. Babson, Morgan Guaranty, Stein Roe & Farnham, and AmeriTrust.

Morgan Guaranty also managed bonds, while Coldwell Banker managed real estate.

National Bank of Detroit served the fund as master trustee.

The key officer for the fund is Eugene C. Yehle, director of pensions and investments.

Dresser Industries

	($ millions)
Total assets	565
Pension	565
Profit-sharing	na
Thrift or savings	na
Employer contributions	58
Benefit payments	25

DALLAS—Dresser Industries Inc. dropped First National Bank in Dallas (now InterFirst Bank) as an investment manager in 1982, and increased, for the second consecutive year, its GIC commitment, this time by $50 million; the fund now has a total of $250 million in GICs.

Total pension assets as of Sept. 30, 1982, were $565 million, up $65 million from 1981.

Dresser places its GICs itself; Canada Life Assurance, Mutual Benefit Life Insurance, New York Life Insurance, Travelers Insurance, Metropolitan Life Insurance, John Hancock Mutual Life Insurance, New England Mutual Life Insurance and Pacific Mutual Life Insurance hold the GICs.

Equity managers for Dresser include Equitable, Aetna, David L. Babson & Co., Delaware Investment Advisers, Endowment Management & Research Corp. and Mellon Bank.

U.S. Trust Co., Morgan Guaranty and Equitable are fixed-income managers.

Equitable also handles Dresser's real estate.

Northern Trust is master trustee.

The asset mix as of Sept. 30, was 32% stocks, 30% bonds, 34% cash equivalents and 4% real estate.

Key personnel overseeing the investment of the fund are D.D. Rost, vice chairman of the board of Dresser; E.R. Luter, senior vp-finance; P.W. Willey, assistant treasurer; and B.D. St. John, executive vp.

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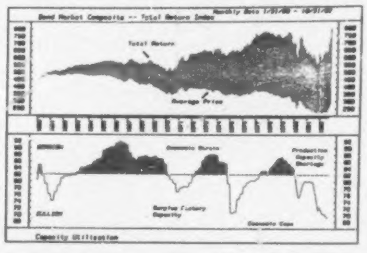

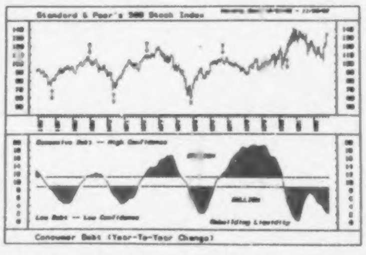

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Dow Transports—Dow Utilities
S&P 500 vs Corporate Profits (Quarterly)
Dow Price/Book Value
S&P vs 6 month average P/E Ratio
DJIA Normal Valuation
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BOND CHARTS
Interest rates & Illiquidity
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Prime vs Inventory Sales Ratio
Bonds vs Capacity Utilization
Bonds vs Consumer Installment Debt
Bonds vs Fed Policy
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E.I. du Pont de Nemours and Co.

	($ millions)
Total assets	6,143
Pension	5,253
Profit-sharing	na
Thrift or savings	890
Employer contributions	432
Benefit payments	314

WILMINGTON, DE.—Du Pont set up a salary reduction plan for its employees with the Fidelity Group of Boston last February.

The company's employee benefit assets grew by 23% to $6,143 million for the 12 months ending Sept. 30, 1982.

The pension plan assets, valued at $5,253 million, are managed by an in-house team that uses options and futures as hedging tools. The fund has $54 million in an internationally invested equity portfolio.

The assets mix in the pension plan was 47.3% stocks, 45.4% bonds, and 7.3% cash as of Sept. 30.

The thrift plan, valued at $890 million, is split into an equity portfolio, managed by Bankers Trust, and a bond portfolio, run by the Equitable Life Assurance Society.

Wilmington Trust Co. acts as master trustee of the funds.

David F. Marvin is vp/pension fund investment department; and, A.H. Nehrling Jr., assistant treasurer, handles thrift plan matters.

E

Eastern Air Lines

	($ millions)
Total assets	1,200
Pension	1,200
Profit-sharing	na
Thrift or savings	na
Employer contributions	na
Benefit payments	na

MIAMI—Eastern Air Lines hired five new money managers to run about $200 million of the approximately $700 million in its fixed-benefit (or non-variable) retirement plan in 1982, according to sources.

Hired to run a portion of the assets in the fund were INVESCO Capital Management, Delaware Investment Advisers, Fort Hill Investors Management Corp., Abel/Noser Corp. and Forstmann-Leff Associates, sources said.

At the same time, according to sources, Eastern tapped Chase Manhattan Bank as master trustee for the fixed benefit plan as well.

Earlier in the year, *Pensions & Investment Age* had reported that State Street Bank & Trust was named custodian for the second of Eastern's two separate retirement plans, the $500 million pilots' variable benefit retirement plan.

Speros Drelles, former director of pension asset management for all Eastern Air Lines funds, left last year to join Bessemer Trust.

Replacing Mr. Drelles at Eastern is Robert Wallace.

Total assets from all employee benefit funds in 1982 were $1.2 billion. This was up from the $1,086 million figure reported in 1981.

Although Mr. Wallace would not comment on the size of the two separate plans, *P&I Age* estimates the non-variable plan is $700 million and the pilots' plan has $500 million in assets.

As of Sept. 30, 1982, the combined portfolio mix of both plans consisted of 40% stocks, 45% bonds and 15% real estate, oil and gas, and other investments.

In addition to real estate investments, which *P&I Age* estimates to comprise the majority of the 15% put in alternative investments, Eastern also has less than 1% of its assets in international equities.

According to the 1983 Money Market Directory, managers for the fixed benefit plan are Equitable Life Assurance, Northwestern Union Trust Co., Helena, Montana, Prudential and Rollert & Sullivan.

These managers are in addition to the five new managers Eastern hired for the fixed benefit plan in 1982.

For the pilots plan, managers include Campbell Advisors, New York; Capital Guardian Trust Co.; Crocker National Bank; Kennedy Associates, Seattle; National Investment Services of America, Milwaukee; North Carolina National Bank; Rollert & Sullivan; Southland Trust, Dallas; Thorndike, Doran, Paine & Lewis; and DLJ Realty Corp.

Mr. Wallace oversees investment management of all funds.

Eastman Kodak Co.

	($ millions)
Total assets	3,665*
Pension	3,093*
Profit-sharing	572*
Thrift or savings	na
Employer contributions	283*
Benefit payments	na

*estimates

ROCHESTER, N.Y.—In September, Kodak contributed 3 million shares of its stock to its pension fund in lieu of a $240 million cash contribution.

The Eastman Kodak fund sold the shares three weeks later for about $283 million.

Eastman Kodak's employee benefit assets are estimated by *Pensions & Investment Age* to be about $3.7 billion at the end of September 1982, an 11% increase from the $3.3 billion Kodak reported for the end of 1981.

Kodak, which did not have any bond investments for its pension assets at the end of 1981, said its equity managers at year end, 1981 were: American National Bank of Chicago, Batterymarch Financial Management, Eberstadt Asset Management, Kemper Financial Services Inc., Morgan Guaranty Trust Co., Neuberger & Berman Pension Management Inc., Rogers, Casey & Barksdale's group trust, State Street Research & Management Co., T. Rowe Price Associates Inc., State Street Research & Management Co., and Value Line Asset Management.

Real estate managers are Aetna Life & Casualty Co., Equitable Life Assurance Society of the U.S., Prudential Insurance Co. of America and RREEF Corp.

Metropolitan Life Insurance Co. and Equitable handle GICs and/or annuities.

Kodak said it indexed assets and has foreign investments.

The asset mix at the end of 1981 was 52% stocks, 41% annuities and GICs, 4% equity real estate and 3% cash equivalents.

Of its profit-sharing assets, 43% was in company stock, 53% was in other investments, 3% was in other stock and 1% was in bonds.

During 1982, *P[illegible]* reported that Kodak hired [illegible] Management Group to [illegible] its IRA plan.

Boston Safe Deposit and Trust Co. was listed as master trustee.

Donald Snyder is treasurer and Russell Olson is administrative assistant, pension investments.

Eaton Corp.

	($ millions)
Total assets	575
Pension	505
Profit-sharing	na
Thrift or savings	70
Employer contributions	60
Benefit payments	35

CLEVELAND—In January 1982, Eaton Corp. appointed two new members to its in-house investment staff. Neal Hamilton was appointed to head the staff and Terry Jones was named manager of trust investments.

Eaton Corp.'s employee benefit assets increased almost 20% as of Sept. 30, 1982, to $575 million from 1981's total of $480 million.

In 1982, the company began a corporate individual retirement account plan.

The pension plan asset mix is 57% stocks, 24% cash equivalents and 19% bonds.

In-house managed assets total $30 million, with $23 million in equity and $7 million short term. In addition, $20 million is in a dedicated bond fund.

Investment managers for equities are E.W. Axe, Eberstadt, Putman Advisory, Century Capital, Oppenheimer, Weiss Peck & Greer and MacKay-Shields. Connecticut General and Equitable are balanced managers. Thorndike, Doran, Paine & Lewis handle a bond fund and an equity fund for Eaton.

Mellon Bank is the master trustee.

John Carmont is vp and treasurer and Richard Gabel is manager of pension fund investments and financial analysis.

International Brotherhood of Electrical Workers

	($ millions)
Total assets	1,282
Pension	1,282
Profit-sharing	na
Thrift or savings	na
Employer contributions	152
Benefit payments	65

WASHINGTON—The benefit fund was 52% invested in mortgages as of Sept. 30, 1982.

The fund is for workers employed by members of the National Electrical Contractors Association. Most, but not all, of the workers are members of the International Brotherhood of Electrical Workers union, and management of the fund is handled by the union.

The fund reported assets of $1.282 billion as of Sept. 30, up from $878 million the year before.

All assets are managed in-house; as of Sept. 30 the asset mix was 10% short-term construction loans, 11% in bonds, 6% in stocks, 13% in cash equivalents, 8% in equity real estate and 52% in mortgages.

Ray Love of the IBEW oversees investment of the fund.

Episcopal Ministers' Church Pension Fund

	($ millions)
Total assets	600
Pension	600
Profit-sharing	na
Thrift or savings	na
Employer contributions	42
Benefit payments	20

NEW YORK—During 1982, the Episcopal Ministers' pension fund named Alliance Capital Management to run equities for the fund

Alliance joins Morgan Guaranty Trust, which previously had been sole manager for the pension fund.

Also this year, the fund terminated its experiment using financial futures devices for its portfolio and decided to use options.

On the alternative investment front, the Episcopal Ministers' upped its commitment to international bonds $9 million; the remainder of the fund's $30 million foreign commitment is in overseas equities.

Also in 1982, the fund moved into venture capital, but these investments comprise less than 1% of its total assets.

Morgan Guaranty Trust is responsible for the fund's venture capital investments.

Total plan assets increased by 20% this year, up from $500 million last year to $600 million this year.

In addition, both a 401(k) plan and a corporate individual retirement account plan were established this year.

Top 200 pension fund investments in the international equity, fixed income markets

Fund	Total	Equities	Fixed
	($ millions)		
U.N. Joint Staff	910	494	416
I.B.M.	445	325	120
U.S. Steel & Carnegie	200	na	na
Ford Motor Co.	150	100	50
United Air Lines	140	110	30
United Technologies	128	128	000
Eastern Air Lines	120	120	000
GTE Corp.	120	120	000
World Bank Staff	105	na	na
AT&T	92	na	na
Manville Corp.	83	41	42
Sun Co.	74	59	15
Xerox	73	54	19
General Electric	65	30	35
Standard Oil (In.)	55	40	15
Du Pont	54	54	000
Exxon Corp.	51	51	000
American Airlines	50	40	10
Standard Oil (Oh.)	41	41	000
NRECA	39	33	6
Owens-Illinois	39		6
Litton Industries	38	18	20
TRW Inc.	35	28	7
Citibank	35	27	8
Episcopal Ministers'	30	20	10
Phillips Petroleum	25	na	na
Allied Corp.	25	na	na
Celanese Corp.	25	25	000
Inland Steel Co.	25	24	1
Reynolds Metals Co.	24	15	9
Continental Group Inc.	22	20	2
McDonnell Douglas Corp.	22	22	000
Oregon Employees	21	21	000
Travelers Corp.	21	21	000
Union Oil Co.	21	na	na
Consolidated Edison	20	10	10
Deere & Co	20	12	8
Hawaii Employees'	20	na	na
LTV Corp.	20	20	000
Wisconsin Board	20	000	20
Aetna Life	20	na	na
American Can Co.	17	14	3
Dow Chemical Co.	17	9	8
Hercules Inc.	17	16	1
RCA Corp.	17	17	000
FMC Corp.	15	15	000
United Presbyterian	15	15	000
Hughes Aircraft	14	14	000
Motorola Inc.	12	12	000
Aluminum Co.	11	2	9
Trans World Airlines	11	11	000
Chrysler Corp.	10	000	10
CIGNA Corp.	10	4	6
Conoco Inc.	10	10	000
International Paper Co.	8	8	000
Philip Morris Inc.	6	6	000
Sperry Corp.	6	2	4
ITT	5	5	000
Eli Lilly & Co.	5	5	000
Minnesota Mining	5	5	000
Pan American	5	5	000
General Foods	4	4	000
Mobil Oil Corp.	2	2	0
Detroit Retirement	2	000	2
Pacific Gas & Electric	1	1	000
Cities Service	1	1	000
Los Angeles County	1	000	1
TOTAL	3,750	2,340	903

The portfolio mix for the fund as of Sept. 30, 1982, is 60% stocks, 30% bonds, 5% cash equivalents, 3% real estate equity and 2% mortgages.

Key personnel for the fund are Robert Robinson, president, Walter Donnelly, executive vp, and Martin Duggan, assistant treasurer.

Exxon Corp.

	($ millions)
Total assets	5,510
Pension	3,530
Profit-sharing	180
Thrift or savings	1,800
Employer contributions	455
Benefit payments	375

NEW YORK—During 1982, Exxon Corp. named Chase Manhattan as master trustee for the majority of its equity and fixed-income assets.

During the year Exxon increased its commitment to international equities to $51 million from $30 million the previous year.

Last year was the first year Exxon began using financial futures, and it also instituted a corporate individual retirement account plan.

Total assets increased about 14.7%, to $5.5 billion.

Domestic equity managers for Exxon are Citibank, First City National Bank of Houston, Republic National Bank of Dallas, U.S. Trust Co. and Wells Fargo Investment Advisors.

International equity managers are Morgan Grenfell Investment Services and State Street Bank & Trust.

Bond managers are Scudder, Stevens & Clark and State Street Research & Management Co.

Real estate managers are Aetna Life & Casualty Co., Corporate Property Investors, Equitable Life Assurance Society of the U.S., InterFirst Bank Dallas, and Prudential insurance Co. of America.

Insurance reserves are with Aetna, Equitable, John Hancock Mutual Life Insurance Co., Prudential Insurance Co. and the Travelers.

First City National Bank of Houston and Louisiana National Bank of Baton Rouge are trustees for oil royalties.

Of the total pension assets, about $1.6 billion is managed internally. Of that, 87% is in equities, 10% is in fixed-income and 3% is in short-term investments.

The fund has $624 million in index funds.

Exxon Corp. uses options as a hedging device.

At the end of September, 48% of the pension assets was in stocks, 18% in insurance reserves, 16% in real estate equity, 9% in bonds, 6% in cash equivalents and 3% in royalties.

All of the profit-sharing assets are in Exxon stock.

C.W. Williams is manager, trust investments, and H.L. Cone is manager, investment and plans financing.

F

Firestone Tire & Rubber Co.

	($ millions)
Total assets	908
Pension	908
Profit-sharing	na
Thrift or savings	na
Employer contributions	2
Benefit payments	94

AKRON, OH.—In the last quarter of 1982, Firestone pulled the last portion of its pension funds in-house as a cost-saving measure. Contributions dropped to $1.8 million from $40 million the previous year.

Firestone's employee benefit assets declined slightly, as of Sept. 30, 1982, to approximately $908 million, a 4% drop from 1981's total of $950 million.

The entire amount is in the company's pension fund.

The asset mix is 34% equities, 63% fixed income and 3% short term.

The fund has $495 million in dedicated bonds.

Options are used as a hedging device. In addition, Firestone invests in venture capital and oil and gas.

Manufacturer's Hanover is the master trustee.

James D. Oelschlager is director-pension investments, J.R. Raith and J.H. Behrmann are portfolio managers.

Florida State Board of Administration

	($ millions)
Total assets	4,659
Pension	4,659
Profit-sharing	na
Thrift or savings	na
Employer contributions	632
Benefit payments	286

TALLAHASSEE, FL.—The Florida State Board of Administration received authorization in 1982 to invest in real estate. Also its new chief investment officer, Ken Peterson, departed in order to take a position as senior vp at Trident Investment Management.

Pension assets increased 42% to more than $4.6 billion from $3.2 billion in 1981. As of Sept. 30, 1982, the asset mix was 26% stocks, 65.6% bonds and 8.4% cash equivalents.

All of the pension assets are managed in-house.

Key investment personnel include E.J. Yelton, executive director, David Kroon, fixed-income portfolio manager, Jon Goebel, equity portfolio manager, and Carmen Hiers, short-term portfolio manager.

FMC Corp.

	($ millions)
Total assets	753
Pension	642
Profit-sharing	na
Thrift or savings	111
Employer contributions	42
Benefit payments	28

CHICAGO—FMC Corp.'s employee benefit assets rose, as of Sept. 30, 1982, to $753 million, a 33% jump from 1981's total of $564 million.

The asset mix is 55% stocks, 42% bonds, 2% mortgages and 1% cash equivalents.

In-house managed assets total $75 million, with $62 million invested in equities, $7 million in fixed and $6 million in short term.

The fund has $43 million in GICs. Foreign market investments total $15 million; the full amount is in stocks.

Also in 1982, FMC started a 401(k) plan.

The fund makes venture capital investments.

Managers are Pacific Financial, Templeton, Windsor Fund, Batterymarch, Tweedy Browne and Ruane, Cuniff & Co.

R.B. Hoffman is vp-finance, B.R. van Eck is vp-treasurer and secretary, and William H. Schumann is director-pension investments.

Ford Motor Co.

	($ millions)
Total assets	6,611
Pension	6,038
Profit-sharing	na
Thrift or savings	573
Employer contributions	460
Benefit payments	550

DEARBORN, MI.—Ford Motor Co.'s benefit assets grew to $6.6 billion on Sept. 31, 1982, from $6.1 billion a year earlier, an 8% jump. The automaker's assets are 59% in stocks, 21% in bonds, 15% in cash, 1% in real estate equity, 1% in mortgages and 3% in GICs.

The plan manages $210 million in

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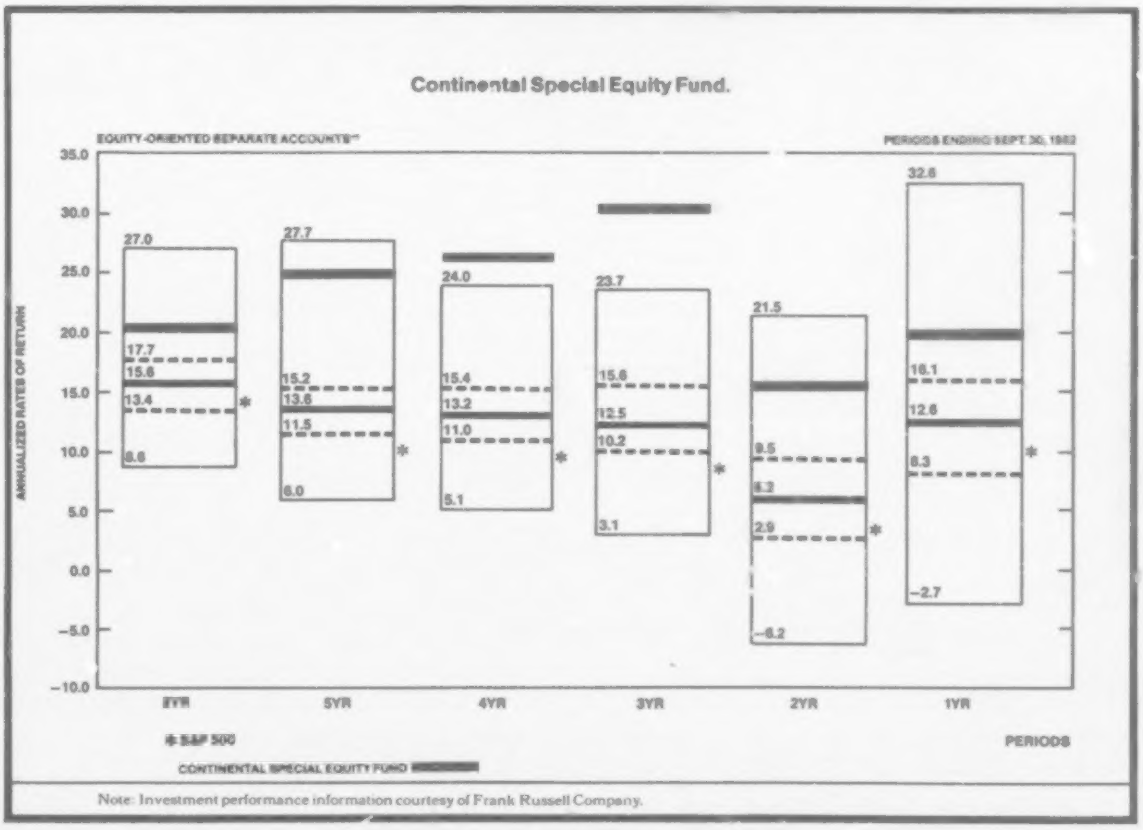

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bonds internally.

The fund also has a $984 million index fund, and $150 million in GICs.

International investments constitute $150 million of the fund, with $100 million in overseas equities and $50 million in bonds.

Ford's plan also holds options, venture capital and oil and gas investments.

Managers are Alliance Capital Management, Brown Brothers Harriman, Capital Guardian Trust, Chase Manhattan, Citibank, First National Bank of Boston, Fiduciary Management Trust, Harris Trust & Savings, Manufacturers National Bank of Detroit, Morgan Guaranty Trust, National Bank of Detroit, T. Rowe Price, Republic National Bank of Dallas, Sarofim Trust Co., State Street Research & Management and Wells Fargo.

Savings plan managers are Aetna Life, Capital Guardian Trust, John Hancock, Manufacturers National of Detroit, T. Rowe Price, Fayez Sarofim, and Travelers.

Robert C. White is assistant treasurer, and Maurice E. Maertens is manager of trust investment analysis.

G

Garment Workers International Headquarters

	($ millions)
Total assets	545
Pension	545
Profit-sharing	na
Thrift or savings	na
Employer contributions	140*
Benefit payments	120*

*estimate

NEW YORK—According to the 1983 edition of the Money Market Directory, the Garment Workers International Headquarters' employee benefit assets totaled approximately $545 million as of December 1981.

According to the Blue Book, and estimates, the asset mix is 62% bonds, 23% cash equivalents, 10% stocks and 5% mortgages.

Investment managers for the fund listed in the Money Market Directory are Garrison Asset Management, The Amalgamated Bank of New York, Funds Advisory Co., Garrison, Keogh Co., Glickenhaus & Co., Tallasi Management; and Wertheim Asset Management Services.

Theodore Bernstein is associate director.

General Dynamics Corp.

	($ millions)
Total assets	2,000
Pension	1,274
Profit-sharing	na
Thrift or savings	726
Employer contributions	130
Benefit payments	60

CLAYTON, MO.—General Dynamics added several investment managers to its stable of equity money managers in 1982.

A number of these new managers were smaller investment firms, reflecting a shift from the larger firms that General Dynamics previously had selected.

Added to run portions of the $2 billion pension fund were Aetna Capital Management; Anderson-Hoagland Co., St. Louis; Century Capital Associates; First Pacific Advisors; Hellman, Jordan Management Co.; Lieber & Co.; Lindner Management Corp., St. Louis; Neuberger & Berman, Alliance Capital Management and Sit Investment Associates.

These managers join previous equity managers Citibank; A.M. Kailing & Associates; Lazard Freres & Co.; Fayez Sarofim & Co.; and Siebel Capital Management.

Bond managers for the billion-dollar fund are BA Investment Management Corp.; Centerre Trust Co.(formerly St. Louis Union Trust); Chase Investors Management Corp.; Discount Corp. of America Advisers, New York; and Hoisington Investment Management Co.

Total employee benefit assets climbed from $1,643 million last year to $2 billion this year, an increase of 21.7%.

Of the $1,274 million in pension assets, $327 million is invested in GICs.

As of Sept. 30, 1982, the pension fund's portfolio mix was about 60% bonds and 40% stocks.

Chase Manhattan Bank is the master trustee for the retirement plan and Bankers Trust is the master trustee for the company's savings plan.

John Maguire, secretary, and Charles Walbrandt, director of employee benefit trust investments, oversee fund management.

General Electric Co.

	($ millions)
Total assets	9,368
Pension	7,388
Profit-sharing	na
Thrift or savings	1,980
Employer contributions	631
Benefit payments	726

STAMFORD, CT.—General Electric's total assets were up approximately 23%, while pension assets increased 21.8%.

The G.E. pension plan has about $7,388 million; of that, $7,358 million is managed internally by General Electric Investment Co., a wholly owned General Electric Co. subsidiary.

Of the internally managed assets, about 49% is equity, 44% is fixed income, and 7% is short-term investments.

G.E. has $30 million in separately managed international equity accounts with six managers: Fidelity International Investment Management Inc.; G.T. Capital Management; Lombard Odier International Portfolio Management Ltd.; Morgan Grenfell Investment Services; Nomura Capital Management; and Rowe, Price-Fleming International Inc. In 1982, G.E. switched from a mutual fund at Rowe, Price-Fleming to a separately managed account there.

At the end of September, G.E. also had $35 million in international fixed-income investments managed internally for its pension plan.

The fund uses options and had $129 million in GICs. It also has a securities lending program.

The approximate mix of pension assets as of Sept. 30 was 47% stocks, 28% bonds, 13% mortgages, 6% cash equivalents, 3% equity real estate and 3% in other investments, including venture capital, oil and gas, and convertible bonds.

General Electric Co. is its own master trustee.

E.H. Malone is vp-investments, A.S. Bahr is manager-equity investments and E.B. Griswold is manager-fixed-income investments.

General Foods

	($ millions)
Total assets	1,150
Pension	1,040
Profit-sharing	na
Thrift or savings	110
Employer contributions	na
Benefit payments	na

WHITE PLAINS, N.Y.—General Foods has $4.3 million invested internationally and uses options as a hedging device. The fund also has investments in venture capital projects.

Investment managers were: Aetna Life, Alliance Capital Management, Bankers Trust, Batterymarch Financial Management, BEA Associates, Chase Investors

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As of Sept. 30, 1982, the fund had 49% in equities, 32% in bonds, 16% in cash equivalents and 3% in real estate equity.

R.D. Nargi is assistant treasurer, R.A. Wiemert is manager, and S.C. Philbrick is assistant manager.

General Motors Corp.

	($ millions)
Total assets	15,800
Pension	13,800
Profit-sharing	na
Thrift or savings	2,000
Employer contributions	na
Benefit payments	na

NEW YORK—In early December, General Motors selected three master trustees for its employee benefit funds. Bankers Trust and Mellon Bank will split trusteeship of the domestically invested assets. Chase Manhattan will be the master trustee for international investments.

General Motors had earlier given Morgan Guaranty, Citibank and Mellon Bank permission to invest some of the assets they manage internationally. In addition, GM reportedly is considering hiring specialty international managers.

GM's total employee benefit assets jumped 13.7% in 1982 compared with 1981, and now stand at $15.8 billion.

General Motor's asset mix as of Sept. 30, 1982, was 52% common stock, 39% bonds, 6% cash equivalents and 3% real estate equity.

About $775 million of the equity assets is indexed, and $450 million of the fund's assets is invested in guaranteed investment contracts. The fund's managers make some venture capital and oil and gas investments.

The managers for the fund remain unchanged from 1981. They are Aetna Life Insurance, American National Bank of Chicago, AmeriTrust, BA Investment Management Corp., Bankers Trust, Chase Investors Management Corp., Citibank, First National Bank of Boston, First National Bank of Chicago, Harris Trust, Lincoln Capital Management, Manufacturers Hanover Trust, Mellon Bank, Metropolitan Life, Morgan Guaranty Trust, National Bank of Detroit, Prudential Insurance and Wells Fargo Investment Advisers.

Gordon W. Binns is coordinator, pension fund investments. R. Charles Tschampion is director, pension fund investments.

General Tire & Rubber

	($ millions)
Total assets	600
Pension	na
Profit-sharing	na
Thrift or savings	na
Employer contributions	na
Benefit payments	na

AKRON, OH.—The General Tire & Rubber Co. attempted to ease the rise of its unfunded liabilities through unique labor contracts in 1982.

The company's hourly pension fund has unfunded liabilities of about $90 million, according to a *Pensions & Investment Age* story dated Nov. 8, 1982. General Tire offered employees covered by the plan a three-tiered pension payment system that increases benefits only for employees with more than 15 years of service. The contract was offered at its plants in Akron and Waco, Tx., and was negotiated at its Mayfield, Ky., plant.

Investment managers for the fund are First National Bank of Akron, Roundhill Management Inc. and Wilkins & Nanovic Associates. Some of the fund is managed in-house but the firm declined to reveal a breakdown and asset mix.

Bank of America and First National Bank of Akron are master trustees.

John O. Neil is chairman of the finance committee.

Georgia State Retirement Systems

	($ millions)
Total assets	3,208
Pension	3,208
Profit-sharing	na
Thrift or savings	na
Employer contributions	231
Benefit payments	151

ATLANTA—Total assets of the Georgia Employees' Retirement System increased by 38% to $3.2 billion during 1982.

The system consists of two funds; Citizens & Southern National Bank is the investment adviser for the Teachers' Retirement System and First National Bank of Atlanta is the adviser for the Employees' Retirement System.

All of the pension assets are managed internally.

As of Sept. 30, the portfolio mix for the Georgia Retirement Systems was 33% stocks, 62% bonds, 3% cash equivalents and 2% mortgages.

Graham Lynch, director-division of investment services, Charles Cary Jr., assistant director, and Nancie Boedy, bond portfolio officer, are responsible for the investment management of the retirement assets.

Getty Oil Co.

	($ millions)
Total assets	710
Pension	515
Profit-sharing	18
Thrift or savings	177
Employer contributions	60
Benefit payments	25

LOS ANGELES—The Getty Oil Co.'s employee benefit assets increased 20%, as of Sept. 30, 1982, to $710 million from last year's total of $591 million.

Starting this year, the company is starting a 401(k) plan.

The asset mix for pension assets as of Sept. 30 was 60% stock, 29% bonds and 11% cash equivalents.

The profit-sharing mix was 50% company stock, 39% GICs and 11% other stock.

A total of $74 million is managed in-house, with 62% in fixed-income and 38% in short-term investments.

About $36 million is invested in GICs.

Equity managers are EM&R, Citibank, Fred Alger, Jennison Associates, Security Pacific, Frontier Capital and MacKay-Shields Financial. Trust Co. of the West and CMB Investment Counsellors handle bonds.

Chase Manhattan Bank is the master trustee.

D.A. Bland is vp-finance, H.M. Slawson, treasurer, and Bruce Anderson, assistant treasurer.

Goodyear Tire and Rubber Co.

	($ millions)
Total assets	1,500*
Pension	na
Profit-sharing	na
Thrift or savings	na
Employer contributions	140
Benefit payments	na

*estimate; includes stock plan assets

AKRON, OH.—Goodyear Tire and Rubber Co.'s estimated pension and profit-sharing assets grew to about $1.5 billion on Sept. 30, 1982 from about $1.288 billion a year earlier, a growth of about 16%.

Goodyear's array of managers in

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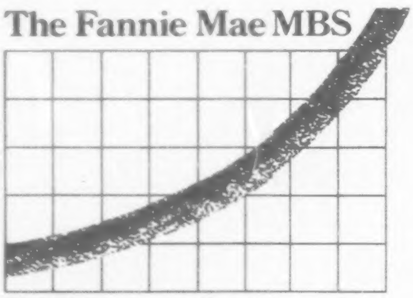

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the 1983 Money Market Directory has changed little from those reported in the 1982 edition. Bankers Trust Co., Chemical Bank, Citibank, and the National City Bank of Cleveland manage equity accounts. Goodyear's fund holds annuities with Metropolitan Life and Prudential, which also manages bonds, equities, and real estate for the fund.

Morgan Guaranty, National Bank of Detroit, and The Travelers Insurance Co. manage both bonds and equities, and Morgan also manages some real estate.

On Dec. 30, 1981, the fund's asset mix was 54% equities, 17% bonds, 13% GICs, 5% cash, and 11% equity real estate.

The fund has no international investments.

J. Robert Hicks, group executive vp, is chief investment officer; Bennett Shaver and Joseph Gilchrist are assistant treasurers, and D.H. Smith is manager of benefit controls and coordination.

Greyhound Corp.

	($ millions)
Total assets	1,083*
Pension	na
Profit-sharing	na
Thrift or savings	na
Employer contributions	na
Benefit payments	na

*estimate

PHOENIX, AZ.—According to the 1983 Money Market Directory, Greyhound Corp. had total employee benefit assets of $867 million as of Dec. 1980. *Pension & Investment Age* estimates that has grown to $1,083 million.

Investment managers for the funds include Aetna Life, CIGNA, MH/Edie Investment Counsel, New York and Phoenix, National Bank of Detroit, United Capital Management, Denver, Citibank, Wells Fargo Investment Advisors and Security Pacific Investment Managers.

Richard B. Zoller is vp-investments. R. Lang is director-employee benefits.

Grumman Corp.

	($ millions)
Total assets	953*
Pension	714*
Profit-sharing	239*
Thrift or savings	na
Employer contributions	7*
Benefit payments	na

*as of Dec. 31, 1981

BETHPAGE, N.Y.—Grumman Corp. named Bank of New York master trustee for its pension fund as of July 1, 1982. The company previously used Morgan Guaranty Bank, New York, as a custodian.

The firm said the move was for administrative purposes and unrelated to its court case in a dispute over its use in 1981 of plan assets to fend off a takeover of the company by LTV.

The firm also started a 401(k) plan during the year.

Grumman had $953 million in employee benefit assets at the end of 1981, the latest date for which the company could supply figures, a 12.6% increase from the total assets at the end of 1980.

As of Sept. 30, the fund managed an estimated $717 million of its pension assets internally, of which an estimated 46% was in equities, 37% was in fixed income and 17% was in cash equivalents.

External investment managers for bonds and equities are Bank of New York and Connecticut General Life Insurance Co.

Equitable Life and Prudential Insurance manage real estate.

The company also uses venture capital financing as an alternative investment vehicle.

The fund formerly used options as a hedging device, but has not written any for more than a year, said assistant treasurer William R. Parmentier.

It also has limited its securities lending activity. "The spreads are so narrow, and transactions costs are high," commented Mr. Parmentier. "You have to do a lot of business to make it profitable."

As of Sept. 30, 1982, the approximate asset mix of the pension portfolio was 43% stocks, 34% bonds, 15% cash equivalents, 6% real estate equity and 1% each in mortgages and venture capital investments.

Of the profit-sharing assets, 42% was in company stock, 11% in other stock, 5% in bonds and 42% in other investments (mainly GICs).

Key personnel for the fund are Robert G. Freese, senior vp finance-treasurer, and Mr. Parmentier.

GTE Corp.

	($ millions)
Total assets	3,900
Pension	3,600
Profit-sharing	na
Thrift or savings	300
Employer contributions	300
Benefit payments	140

STAMFORD, CT.—During 1982, GTE Corp. consolidated all of its in-house equity assets, about $200 million, into equity assets already with Aetna Life & Casualty Co.

It also moved an undisclosed amount of internally managed bond money to Manufacturers Hanover, which also manages equities, and to First & Merchants National Bank, a new manager for GTE.

Total assets as of Sept. 30 stood at $3.9 billion.

GTE manages $550 million in-house—91% in fixed income and 9% in short-term investments.

During 1982, GTE hired seven equity managers for its domestic assets: Cashman, Farrell & Associates; GeoCapital Corp.; Hellman, Jordan Management Co. Inc.; Hotchkis and Wiley; The Marine Trust Co.; Pacific Financial Research; and Pioneering Management Corp.

In addition to its new managers, GTE Investment Management Corp., Manufacturers Hanover, Aetna and First & Merchants, GTE has 50 other managers for its Canadian and domestic assets. They are: Balch, Hardy & Scheinman Inc.; Bankers Trust; Bessemer Trust Co.; Beutel, Goodman & Co. Ltd.; and The Boston Co.

Also, Canada Trust Co.; Century Capital Associates; Citibank; Confederation Life Insurance Co.; Crown Associates; Fidelity International Investment Management; First Manhattan Co. Inc.; First Pacific Advisors Inc.; Forstmann-Leff Associates; General American Investors Inc.; G.T. Capital Management Corp.; Guardian Capital Investment Counsel; Hathaway Associates Ltd.; Hoisington Investment Management Co.; Ivory & Sime International Inc.; and Kingsley, Jennison, McNulty & Morse.

Also, Mackay-Shields Financial Corp.; Mackenzie Financial Corp.; Manufacturers Life Insurance Co.; McLean, Budden Ltd.; Montreal Trust Co.; Morgan Grenfell Investment Services; Morgan Guaranty Trust Co.; Neville, Rodie & Shaw, Inc.; Niagara Share Corp.; North American Ventures Fund; and Pacific Investment Management Co.

Also, Phillips, Hager & North Ltd.; T. Rowe Price Associates Inc.; Prudential Insurance Co. of America; The Putnam Advisory Co.; and Rowe Price-Fleming International Inc.

Fayez Sarofim & Co.; Schafer Capital Management Co.; Schroder Naess International Ltd.; Toronto Investment Management Inc.; The Travelers; Trust Co. of the West; Value Line Asset Management; Warburg Investment Management International; Warburg, Pincus Counsellors Inc.; Wentworth, Hauser & Violich; and Wilkens & Nanovic Associates are also managers.

The GTE pension asset figure re-

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flects domestic and Canadian assets, while the $300 million in thrift or savings plan assets comprises only domestic assets.

GTE has $120 million in foreign equities.

It uses options, and has venture capital and oil and gas investments.

The approximate asset mix as of Sept. 30 was 60% stocks, 20% cash equivalents, 18% bonds and 2% equity real estate.

Bankers Trust is the master trustee.

W.P. Marshall is vp-operations and R.H. Klemm, is vp-equity investments and A.L. Heiskell is vp-fixed income, all at GTE Investment Management.

Gulf Oil Corp.

	($ millions)
Total assets	1,642
Pension	1,489
Profit-sharing	na
Thrift or savings	153
Employer contributions	226
Benefit payments	104

PITTSBURGH—During 1982, Gulf Oil set up a dedicated bond fund totaling $394.1 million of its $1.6 billion in total employee benefit assets.

Gulf also increased its assets invested in GICs to $367.1 million in 1982 from $194.7 million the previous year; and in 1982 the company started offering its employees a 401(k) plan.

During 1982, Gulf Oil terminated its index fund, which had totaled $47.3 million.

Gulf's pension assets increased 21% during 1982, to $1,642 million from the previous year's $1,352 million.

Equity managers for the Gulf fund are: Jennison Associates Capital Corp., Putnam Advisory, MacKay-Shields Financial and Rosenberg Capital Management.

Bond managers include Pacific Investment Management and State Street Bank & Trust. The fund's balanced manager is Mellon Bank.

Gulf Oil's portfolio mix as of Sept. 30 was 35% stocks, 27% bonds, 17% cash equivalents and 21% GICs. Mellon Bank is the fund's master trustee.

Key personnel for the Gulf fund are J.L. Murdy, senior vp-finance and planning, W.D. McGuinness, assistant treasurer, and R.A. McKean, III, manager-pension fund investments.

H

Halliburton Co.

	($ millions)
Total assets	635
Pension	na
Profit-sharing	605
Thrift or savings	30
Employer contributions	na
Benefit payments	26

DUNCAN, OK.—Halliburton Co.'s employee benefit assets grew by 12% to $635 million for the year ended Sept. 30, 1982.

Most of the assets are profit-sharing, with $30 million in a thrift or savings plan. The company manages internally about $90 million in company stock.

The asset mix of the thrift/savings plan is 42% stocks, 51% bonds, 5% cash equivalents and 2% mortgages. In the profit-sharing plan, the asset mix is 16% company stock, 26% other stock, 51% bonds and 7% in other investments.

During 1982, Halliburton started an individual retirement account program with Scudder, Stevens & Clark.

Outside investment managers include Interfirst Investment Management, Lehman Brothers and Vaughan, Nelson & Hargrove as balanced menagers. Forstmann-Leff is equity manager and Pacific Investment Management is bond manager.

C.S. Storms, financial manager-employee benefits, is the key person overseeing management of the assets.

John Hancock Mutual Insurance Co.

	($ millions)
Total assets	700
Pension	612
Profit-sharing	84
Thrift or savings	4
Employer contributions	12
Benefit payments	27

BOSTON, MA.—Total assets at John Hancock were $700 million as of Sept. 30.

John Hancock manages all of its pension and thrift plan assets internally, but David L. Babson and T. Rowe Price manage the $84.1 million profit-sharing plan assets.

The asset mix of the pension fund as of Sept. 30 was 37% equities, 52% bonds, 8% real estate equity and 3% mortgages. The asset mix of the profit-sharing plan was 31% non-company stock and 69% bonds.

John Hancock expects to invest in venture capital for its pension fund in 1983.

It offers its employees a corporate individual retirement account program.

John Q. Adams, senior vp, and Lewis J. Kleinrock, senior vp, oversee the funds.

Hawaii Employees' Retirement System

	($ millions)
Total assets	1,700*
Pension	1,700
Profit-sharing	na
Thrift or savings	na
Employer contributions	99
Benefit payments	72

*as of June 30, 1982

HONOLULU—Total assets for the Hawaii Employees' Retirement System were $1.7 billion as of June 30.

The system added two international managers in 1982, Daiwa International Capital Management Corp. and Nomura Capital Management Inc. The two were hired as balanced managers, but the focus has been on equities. The fund has about $20 million invested in foreign securities.

Other managers for the fund include Bernstein-Macaulay; Fayez Sarofim; Delaware Investment Advisers; Lehman Management Co.; Eagle Management & Trust; Loomis, Sayles & Co.; Pacific Investment Management Co.; Security Pacific Investment Advisers; Scudder, Stevens & Clark; and Wentworth, Hauser & Violich.

As of last June, the asset mix for the fund was 23% stocks, 37% bonds, 34% mortgages and 6% in GICs, international securities and real estate. A spokesman for the fund said the amount invested in real estate was less than 1%.

About $700 million of the fund is invested in-house. As of June, about $400 million was in mortgages, $46 million in short-term investments and the remainder in GICs and Ginnie Maes.

Stanley Siu, executive secretary for the Hawaii fund, is the key officer in charge of the administration of the fund.

Hercules Inc.

	($ millions)
Total assets	760
Pension	669
Profit-sharing	na
Thrift or savings	91
Employer contributions	51
Benefit payments	30

WILMINGTON, DE.—Hercules Inc. started a dedicated bond portfolio with a twist in 1982—the portfolio was molded out of existing GICs and a recently acquired GIC. New England Mutual Life devised the portfolio.

Also in moves to diversify the fund, Aetna Warburg Investment Management, and Fidelity International Investment were added to handle global investments. The fund has about $17 million invested internationally, $16 million of which is in equities and $1 million of which is in fixed income.

Hercules' employee benefit assets increased, as of Sept. 30, 1982, to $760 million, a 17% jump from 1981's total of $647 million.

Assets in dedicated bond funds total $146 million and there is $151 million in GICs.

The asset mix is 47% bonds, 32% stocks, 11% real estate equity and 10% cash equivalents.

Equity managers are Batterymarch, Capital Guardian, Citi-Investments, Cooke & Bieler, Delaware Trust and General American. Morgan Guaranty is the fund's other international adviser. Robert C. Brown & Co handles a structured bond portfolio. Real estate managers are Aetna, Equitable and Prudential. Hercules holds GICs with Aetna, Equitable, Travelers, Prudential, New York Life, New England Life and Union Mutual.

Bankers Trust is master trustee.

Priscilla Wellford is manager-pension trust.

Honeywell Inc.

	($ millions)
Total assets	813
Pension	779
Profit-sharing	na
Thrift or savings	34
Employer contributions	92
Benefit payments	40

MINNEAPOLIS—Glenn H. Kent, a newly named vp and corporate director of pensions at Honeywell for eight years, announced he would take early retirement in July 1983 in order to start a firm of his own. This came after his announcement in May of a new pension investment strategy the company was considering that is designed to achieve a 10% real rate of return and eliminate company annual contributions by the early 1990s. The strategy would use five- to 10-year investment vehicles.

State Street Bank was added as a real estate manager in October. Also, in February of this year, Honeywell hired five special equity managers: Dawson Henry Capital Management, Gamco Investments, Seibel Capital, Herbert R. Smith and Rogers, Casey & Barksdale's group trust. Many venture capital managers were added gradually during the year: Arscott, Norton & Associates II; Associated Venture; Morgan Holland Management; Centennial Management; Concord Partners Investech; Doughery, Jones & Wilder; and Robertson, Coleman, Stephans & Woodman.

Also Honeywell began to move out of open-end realty funds which led to Aetna being dropped as a manager.

As of Sept. 30, 1982, Honeywell Inc.'s pension fund increased 24% to $813 million from 1981's total of $654 million.

The pension asset mix is 56.9% stocks, 32.3% bonds, 0.7% cash equivalents, 7.7% real estate equity, 2.3% venture capital and 0.1% option.

Assets in dedicated bond funds totaled $176 million, part of which is in GICs. An additional $31 million is invested separately in GICs.

In 1982 the company started a corporate individual retirement account program and a 401(k) plan.

Additional equity investment managers are Batterymarch Financial, Forstmann-Leff, Abel/Noser Corp. and Trust Co. of the West. Handling bonds are Fischer, Francis, Trees & Watts Inc. Honeywell has investments in GICs offered by Travelers Insurance and Metropolitan Life. Additional real estate advisers are Coldwell Banker, Equitable Life and John Hancock. Honeywell uses Analytic Investment Management for options.

The Chase Manhattan Bank is master trustee.

R.T. Mall is vp of pension fund investments, and D.W. Veverka is manager of pension financial planning and control.

Hughes Aircraft Co.

	($ millions)
Total assets	1,898
Pension	1,447
Profit-sharing	na
Thrift or savings	451
Employer contributions	130
Benefit payments	30

CULVER CITY, CA.—Hughes Aircraft Co.'s employee benefits fund has increased about 20% from the previous 12-month period ending Sept. 30, to $1.9 billion

A new equity manager for the fund is McKenzie Walker Investment Management. Other equity managers include: Alliance Capital, Capital Guardian, Eberstadt Asset, Forstmann-Leff, Frontier Capital Management, Jennison Associates, MacKay-Shields, Neuberger & Berman, Putnam Advisory, Reich & Tang, Rollert & Sullivan, Rosenberg Capital Management, T. Rowe Price and TCW Asset.

BEA Associates was discontinued. Rothchild Inc., formerly New Court Capital Management, was discontinued as a regular equity manager, but it remains with the fund as a venture capital manager.

About $14 million in pension assets is invested in foreign markets, and all of it is equity.

The fund uses venture capital and oil and gas as alternative investments. As of Sept. 30, the fund had 73% of assets in stocks, 10% in bonds, 7% in cash equivalents, 7% in real estate equity, 3% in mortgages.

Master trustee for the fund is Bank of America.

Key personnel in charge of the fund are T.V. Keene, senior vp and chief financial officer, and Gary Helms, staff vp and investment manager.

I

Illinois Municipal Retirement Fund

	($ millions)
Total assets	1,400
Pension	1,400
Profit-sharing	na
Thrift or savings	na
Employer contributions	68
Benefit payments	73

CHICAGO—In July of 1982 the Illinois Municipal Pension Fund allocated $225 million to MacKay-Shields Financial Corp. for equity management. Alliance Capital Management's contract with the fund was not renewed as a result.

The Illinois Municipal Retirement Fund's employee benefit assets increased, as of Sept. 30, 1982, to $1.4 billion, a 40% rise from 1981's total of $1 billion. The entire amount is pension assets.

The asset mix is 64% bonds, 27% stocks and 9% cash equivalents.

Dillon Reed Capital also manages equities for the fund. Handling

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bonds are Fixed Income Advisory and Manufacturers Hanover.

Custodian for the fund is Continental Bank.

Hiro Mori is investment manager.

Illinois State Board of Investment

	($ millions)
Total assets	1,221
Pension	1,221
Profit-sharing	na
Thrift or savings	na
Employer contributions	25
Benefit payments	na

CHICAGO—The Illinois State Board of Investment's employee benefit assets jumped to over $1.2 billion, as of Sept. 30, 1982, a 28% increase over 1981's total of $952 million. The entire amount is pension assets.

The fund manages over $1.1 billion in-house.

The asset mix is 50% bonds, 37% stocks, 8% cash equivalents and 5% real estate equity.

Aetna Life and Casualty handles real estate, and the fund has $6 million invested in GICs.

The fund uses options.

Robert J. Harmon is director, Larry G. Darlington is fixed income portfolio manager, and Nancy L. Folstad is equity portfolio manager.

Illinois Teachers' Retirement System

	($ millions)
Total assets	2,890
Pension	2,890
Profit-sharing	na
Thrift or savings	na
Employer contributions	155
Benefit payments	238

CHICAGO—The Illinois Teachers' Retirement System overhauled the investment management of its fund this year, ending its relationship with Springfield Marine Bank as sole manager and hiring three equity managers and five fixed-income managers.

The fund hired as equity managers Batterymarch Financial Management, CMB Investment Counselors and Funds Advisory Co.

As fixed-income managers, it hired Dreyfus Management Inc., MacKay-Shields Financial Corp., Pacific Investment Management Co., T. Rowe Price Associates Inc. and Hoisington Investment Management Co. in addition to Springfield Marine Bank.

Total pension assets at the Illinois Teachers' Retirement System increased by $628 million or 27.8% to $2.9 billion as of Sept. 30.

The fund has 50.8% of its assets in bonds, 30.8% in cash equivalents and 18.4% in stocks.

Master trustee for the fund is the Harris Trust and Savings Bank of Chicago.

Key personnel overseeing the investment management of the funds include Samuel W. Anderson, executive director, and Charles F. Hofer, investment officer.

Illinois Universities' Retirement System

	($ millions)
Total assets	1,160
Pension	1,160
Profit-sharing	na
Thrift or savings	na
Employer contributions	55
Benefit payments	70

CHAMPAIGN, IL.—A bill passed midyear in Illinois loosened up investment guidelines for the State Universities' Retirement System and its sister funds. Signed by Gov. James Thompson in August, the bill eliminated the list of authorized investments and made the funds responsible only to the Illinois Pension Code. On the tail of this, the system reportedly will be pursuing real estate and small capitalization investments in 1983.

As of Sept. 30, the universities' system had assets of $1,160 million, up 30% from $888 million in 1981.

The pension asset mix was 35% stocks, 51% bonds, 10.8% cash equivalents and 3.2% private placements.

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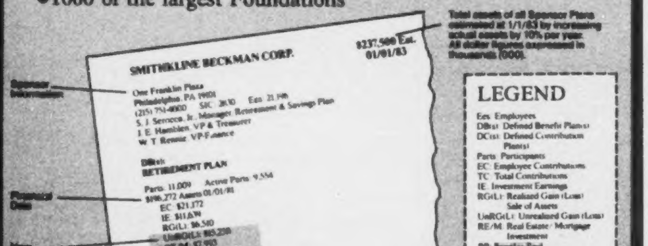
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Fidelity Bank
Miller, Anderson & Sherrerd
Morgan Guaranty Trust Co.
State Street Research & Management Co.
Acct: Peat, Marwick, Mitchell & Co., Philadelphia, PA
Act: Towers, Perrin, Forster & Crosby, Inc., Philadelphia, PA
Int: 6.00%
Additional Plans
Subsidiaries
LEGEND
Ees: Employees
DB(s): Defined Benefit Plan(s)
DC(s): Defined Contribution Plan(s)
Parts: Participants
EC: Employee Contributions
TC: Total Contributions
IE: Investment Earnings
RG(L): Realized Gain (Loss) Sale of Assets
UnRG(L): Unrealized Gain (Loss)
RE/M: Real Estate/Mortgage Investment
BP: Benefits Paid
T.I.R.: Total Investment Return
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Fin. Svcs: Financial Services
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The fund had $10 million invested in GICs and $23 million indexed.

Equity managers are American National Bank (index fund), Alliance Capital Management and Fayez Sarofim. American Fletcher National Bank and Pacific Investment Management continue as bond managers.

The master trustee is Harris Trust and Savings Bank.

Overseeing the fund's assets are Donald Hoffmeister, executive director, and Charles Hundley, associate director.

Indiana Public Employees' Retirement Fund

	($ millions)
Total assets	1,083
Pension	1,083
Profit-sharing	na
Thrift or savings	na
Employer contributions	78
Benefit payments	56

INDIANAPOLIS—The Indiana Public Employees' Retirement Fund employee benefit fund assets, as of Sept. 30, 1982, leaped 44% to more than $1 billion from 1981's total of $750 million.

The pension asset mix is 93% bonds and 7% cash equivalents.

In-house managed assets total $176 million. Of this figure, $170 is in fixed-income and $6 million is in short-term investments.

American Fletcher National Bank and Indiana National Bank are bond managers for the fund.

C. Philip Barnes is manager of investments for the Indiana fund.

Indiana State Teachers' Retirement Fund

	($ millions)
Total assets	642
Pension	642
Profit-sharing	na
Thrift or savings	na
Employer contributions	122
Benefit payments	122

INDIANAPOLIS, IN.—This year, a bill allowing Indiana's state retirement systems to invest in mortgages sailed through the state Legislature, but as of Sept. 30, the State Teachers' Retirement Fund had not moved into the state housing market.

The Indiana State Teachers' Retirement Fund's assets increased 36% to $642 million from $469 million in 1981.

As of Sept. 30, its pension assets were 90% invested in bonds and 10% in cash equivalents. Bonds were managed by Alliance Capital Management Corp., Indiana National Bank, the Bank of New York, American Fletcher National Bank and Baxter & Hoops.

Key investment personnel are Loren Tiede, executive secretary, Edmond Niehoff, assistant executive secretary, and M.S. King, investment coordinator.

Inland Steel Co.

	($ millions)
Total assets	1,009
Pension	877
Profit-sharing	na
Thrift or savings	132
Employer contributions	66
Benefit payments	96

CHICAGO, IL.—Inland Steel dedicated a bond portfolio in early 1982.

In addition, starting this year the company is introducing a 401(k) plan.

The Inland Steel Co.'s total employee benefit assets jumped 23% to $1,009 billion, up from $820 million in 1981.

As of Sept. 30, its asset mix was 50% stocks, 17% bonds, 8% cash equivalents, 6% real estate equity, 11% GICs, and 8% receivables.

The fund has $52 million indexed, $122 million in a dedicated portfolio and $99 million in GICs. Foreign market investments totaled $25 million, with $24 million in foreign equities and $1 million in foreign fixed income.

Inland Steel's equity managers are First National Bank of Chicago, Endowment Management & Research, Putnam Advisory, State Street Research, Oppenheimer Capital and American National Bank. Lincoln Income Group manages bonds.

The master trustee is First National Bank of Chicago.

Key personnel overseeing the fund's investment are Jay Dittus, treasurer, and Richard Schutter, manager.

International Business Machines

	($ millions)
Total assets	6,986
Pension	6,986
Profit-sharing	na
Thrift or savings	na
Employer contributions	600
Benefit payments	115

ARMONK, N.Y.—International Business Machines bought almost 20% of the royalty interests in a Louisiana gas and condensate field for about $12 million in September. It had made its initial oil and gas investments in 1981.

During 1982, IBM's total assets grew to $6.8 billion.

Two new managers joined IBM's equity manager ranks during the year—Dimensional Fund Advisors and Hathaway & Associates. They joined Capital Guardian Trust; Citibank; Cole, Yeager & Wood; Delaware Investment Advisors; Lord, Abbett & Co.; Morgan Guaranty Trust; State Street Research & Management; State Street Bank & Trust; T. Rowe Price & Associates; and Wellington Management.

IBM has $445 million invested internationally, of which $325 million is in equities and the remainder is in fixed income. Its international equity managers are Aetna Warburg; Fidelity International; Ivory & Sime; Lombard-Odier; Robeco; Schroder Capital Management International; and Rowe-Price Fleming International. The company manages international equities in-house.

The fixed-income managers for IBM are American Fletcher National Bank; Fischer, Francis, Trees & Watts; and the in-house staff.

IBM manages $2,574 million in-house, of which 28% is in equities, 62% is in bonds and 10% is in cash equivalents.

The fund uses an index fund with $416 million, and also has invested in venture capital.

The asset mix as of Sept. 30 was 64% equities, 26% bonds, 8% cash equivalents and 2% equity real estate.

During the year, IBM established a corporate individual retirement account for its employees.

Chase Manhattan Bank is the master trustee.

Robert E. Shultz, director of U.S. retirement funds, oversees the investments.

International Harvester Co.

	($ millions)
Total assets	1,313*
Pension	na
Profit-sharing	na
Thrift or savings	na
Employer contributions	na
Benefit payments	168*

*As of June 30, 1981

CHICAGO, IL.—The financially strapped International Harvester Corp. continued to be plagued last year by large unfunded liabilities, and by lawsuits from the Pension Benefit Guaranty Corp. as it attempted to rid itself of some of its units.

The PBGC charged International Harvester had sold its steel subsidiary Envirodyne Industries Inc. in order to rid itself of a $12 million unfunded pension liability.

It also was concerned over the sale of a construction-equipment unit to Dresser Industries while retaining the pension liabilities of the unit. The PBGC believed the sale as arranged would reduce the assets the PBGC could recover if Harvester terminated its pension plans.

The PBGC has estimated it would face an unfunded liability of $1 billion if Harvester terminated its plans.

Also, last year Harvester was reported to have dedicated most of its $1.3 billion portfolio in June. This could allow it to decrease its contribution to the plan. However, the company would not comment on how much it would save. Jennison Associates Capital Corp. is reported to be the manager of the whole portfolio.

In the meantime, Harvester had received a deferral on contributions to its pension plan for 1982 and 1983 until 1984. These contributions were for the 1981 and 1982 plan years.

J.C. Cotting is senior vp, finance and planning, R.C. Lannert is vp, treasurer, and Tom Perry is financial analyst.

International Paper Co.

	($ millions)
Total assets	990
Pension	873
Profit-sharing	na
Thrift or savings	117
Employer contributions	na
Benefit payments	35

NEW YORK—International Paper Co.'s total employee benefit assets increased 15% to $990 million as of Sept. 30, 1982.

The company had $97 million of its pension assets indexed and $81 million was invested in guaranteed investment contracts.

About $8 million was in foreign markets, all of it in equity investments.

The approximate asset mix of the pension portfolio on Sept. 30 was 43% stocks, 29% bonds, 14% cash equivalents, 9% GICs and 5% real estate equity.

The fund's equity managers are Bankers Trust Co., Capital Guardian Trust Co., Endowment Management and Research, Fayez Sarofim and Co. and Morgan Guaranty Trust.

Bond managers include Bankers Trust Co., Brown Brothers Harriman, Morgan Guaranty Trust and State Street Research.

Real esate investments are managed by Citibank, Equitable Life Assurance Society of the U.S., LaSalle Advisers, Prudential Life Insurance Co. and Aldrich, Eastman, & Waltch.

The GIC investments are with Metropolitan Life Insurance Co.

Rosalie J. Wolf is treasurer and financial officer of pension plans. Donna J. Dean is manager, trust investments.

International Telephone and Telegraph Corp.

	($ millions)
Total assets	1,265
Pension	892
Profit-sharing	25
Thrift or savings	348
Employer contributions	na
Benefit payments	na

NEW YORK—Total employee benefit assets at International Telephone and Telegraph stood at $1.3 billion as of Sept. 30.

During 1982, ITT appointed Glickenhaus & Co. as equity manager last March, for $14 million.

The other equity manager is Verus Capital.

Balanced managers include Alliance Capital, Crocker Investment Management Corp., Jennison Associates, Manufacturers Hanover, Morgan Guaranty, Republic Bank-Dallas and T. Rowe Price.

Real estate managers are RREEF, Equitable Life, Metropolitan Life and Coldwell Banker.

Short-term funds are managed by Northern Trust and Bankers Trust.

ITT has $15 million in dedicated bond funds and $87 million in guaranteed investment contracts. About $5 million of the pension assets is in foreign markets, all of it in equity investments.

As of Sept. 30, 1982, the approximate asset mix of the pension holdings was 50% stocks, 35% bonds, 10% cash equivalents and 5% real estate.

Northern Trust is master trustee.

Key personnel for the fund are E.J. Ehrlich, director, pension fund trusts, and A.J. Montegari Jr., pension funds trusts manager.

Iowa Public Employees

	($ millions)
Total assets	1,775
Pension	1,775
Profit-sharing	na
Thrift or savings	na
Employer contributions	175
Benefit payments	90

DES MOINES, IA.—The Iowa Public Employees Retirement System enjoyed a 23% growth in its assets, from $1.4 billion in 1981 to more than $1.7 billion in 1982.

As of Sept. 30, the pension asset mix was 11% stocks, 79% bonds and 10% cash equivalents.

The Iowa system manages $150 million in-house in short-term instruments.

Alliance Capital and Capital Guardian are equity managers. The Boston Co. handles bonds.

Doyle Sales, assistant administrator, and Larry Thompson, accountant, are the key people overseeing the fund's investment.

K

Kansas Public Employees Retirement System

	($ millions)
Total assets	1,359
Pension	1,359
Profit-sharing	na
Thrift or savings	na
Employer contributions	160
Benefit payments	59

TOPEKA, KS.—This year, the Kansas Public Employees Retirement System hired Bankers Trust to run a $30 million index fund. The system also hired Bankers to write put and call options on this index fund as well.

In addition, the retirement system hired Marine Midland Bank to run a securities lending program with a portion of the fund's assets.

On the alternative investment front, the KPERS made its first direct real estate investment, placing $11 million in land and a building near the state capitol.

During 1982, the KPERS also made about $65 million worth of commitments to residential mortgages in Kansas, in the form of Maggie Mae pass-through certificates issued by MGIC Mortgage Marketing Corp.

The system also started an adjustable-rate mortgage program during 1982.

Also this year, KPERS appointed Commerce State Bank & Trust Co., Topeka, as the fund's custodian. This bank replaced First National Bank of Topeka.

Total assets in the KPERS system increased 32% to $1,359 million from last year's figure of $1,032 million.

Investment managers for the fund include balanced manager Reimer & Koger Associates and equity managers Capital Supervisors, Chicago, Investment & Capital Management, Rolling Meadows, Il., and Bankers Trust.

Fixed-income management is done by Robert C. Brown & Co., Pacific Investment Management Co. and the Fourth National Bank and Trust Co. of Wichita.

As of Sept. 30, the portfolio mix of the pension assets was 28% stocks, 36% bonds, 32% cash equivalents, 2% real estate equity and 2% mortgages.

Virgil Basgall, chairman of the board of trustees, and Marshall Crowther, executive secretary, are responsible for overseeing the investment management of the pension funds.

Kentucky Retirement Systems

	($ millions)
Total assets	935
Pension	935
Profit-sharing	na
Thrift or savings	na
Employer contributions	59
Benefit payments	45

FRANKFORT, KY.—The total employee benefit asset figure for the Kentucky Retirement Systems increased 35% to $935 million from 1981's total of $691 million.

As of Sept. 30, the pension asset mix was 31% stocks, 43% bonds, 13% cash equivalents and 13% mortgages.

Of the total pension assets, $125 million is managed internally, which is up from the $97 million total of 1981. All in-house investments are in short-term vehicles.

Capital Supervisors Inc. remains the sole balanced investment manager.

Charles Bratton, general manager, and Bobby McKee, operations manager, are key personnel overseeing investment management of the funds.

Kentucky Teachers' Retirement System

	($ millions)
Total assets	1,098
Pension	1,098
Profit-sharing	na
Thrift or savings	na
Employer contributions	104
Benefit payments	103

FRANKFORT, KY.—Total assets for the Kentucky Teachers' Retirement System escalated 40% to $1,098 million as of Sept. 30, 1982, a sharp rise from total assets of $783 million in 1981. Pension assets managed in-house nearly doubled; $58 million was handled internally in 1981 and in 1982, the figure rose to $110 million, in fixed income.

The pension asset mix for 1982 was 15% stocks, 64% bonds, 10% cash equivalents, 10% mortgages and 1% real estate equity.

Todd Investment Advisors (Louisville) and Alliance Capital Management Corp. are balanced fund investment counselors for the system.

Overseeing investment management are Pat N. Miller, executive secretary, and Stuart Reagan, investment officer.

L

Eli Lilly & Co.

	($ millions)
Total assets	605
Pension	380
Profit-sharing	na
Thrift or savings	225
Employer contributions	39
Benefit payments	25

INDIANAPOLIS—This year Eli Lilly set up a $50 million dedicated bond fund for its pension fund.

Added to the list of managers for the pension fund were Northern Trust Co. for equities and Wachovia Bank and Trust Co. for real estate.

Dropped from its list were Merchants National Bank & Trust Co., Equitable Life Assurance and Travelers Insurance. Equitable and Travelers had run real estate money for the fund.

Other managers for the Eli Lilly employee benefit funds are Batterymarch Financial Management, Capital Guardian Trust Company, IDS Advisory and Fayez Sarofim & Co. for equities.

Bond managers include American Fletcher National Bank, Rosenberg Capital Management and Northern Trust.

Real estate managers are JMB Realty, Rosenberg Real Estate Equity Fund Mid-America, and Wachovia Bank.

International equity managers for the fund are Nikko Research & Management Co. and Nomura Capital Management. The fund has $5 million invested overseas, all of it in foreign equities.

Eli Lilly continues to run $15 million to $20 million in short-term assets in-house.

Eli Lilly's employee benefit assets grew 19% to $605 million during 1982.

Last year the fund had $85 million in GICs and this year that figure was reduced to $15 million.

Less than 1% of the fund's assets is in venture capital investments. Venture capital managers for the fund are DSV Associates, Princeton, New Jersey, and Prime Capital, located in Stamford, Connecticut.

As of Sept. 30, the pension fund's portfolio mix was 51% stocks, 36% bonds, 8% cash equivalents and 5% real estate equity.

Northern Trust Co. is the master trustee.

Running the pension funds at Eli Lilly are B.J. Miller, manager-employee benefit funds and R.B. Graper, assistant treasurer.

Litton Industries Inc.

	($ millions)
Total assets	579
Pension	579
Profit-sharing	na
Thrift or savings	na
Employer contributions	17
Benefit payments	16

BEVERLY HILLS, CA.—Early in 1982, Litton brought a large portion of the fund in-house, investing in long-term treasuries and a few long-term corporates.

Litton Industries' employee benefit assets increased 21% as of Sept. 30, 1982, to $579 million from the previous year's total of $477 million.

The asset mix is 58% cash equivalents, 27% stocks and 15% bonds.

In-house managed assets total $262 million, invested entirely in fixed-income investments.

Litton also has $18 million invested in GICs.

Foreign market investment totals $38 million, with $20 million in fixed and $18 million in equity. Venture capital is used as an alternative investment.

Equity investment managers are Fred Alger, Alliance Capital, Institutional Capital, Jennison Associates, Wilke International and Phillips, Hager & North. Hoisington Investment handles bonds.

Chase Manhattan Bank is master trustee.

J.T. Casey is executive vp, Elizabeth Maes is institutional funds administrator, R.H. Lentz is senior vp and G.E. Boullianne is vp and treasurer.

Lockheed Corp.

	($ millions)
Total assets	2,729*
Pension	1,991
Profit-sharing	738
Thrift or savings	na
Employer contributions	195
Benefit payments	88

*as of June 30

BURBANK, CA.—As of June 30, Lockheed Corp.'s employee benefit assets increased by about 7% to $2.7 billion.

Lockheed consolidated its retirement plans under one master trustee, Bankers Trust, in 1982. Previously it had eight banks as trustee for 12 retirement plans. In addition it hired Charles E. Harris & Associates, a division of Wood, Struthers & Winthrop, New York, as a discretionary manager for retirement fund plans.

It also dropped Eagle Management & Trust as one of the managers of its savings and basic benefit plans.

Other managers for the retirement plan include: Bankers Trust Co., New York; Batterymarch Financial Management Corp., Boston; Bernstein-Macaulay Inc., New York; Chase Investors Management Corp., New York; Citi-Investments, New York; First Interstate Bank of California, Los Angeles; First Interstate Bank of Washington, Seattle; Forstmann-Leff Associates, New York; Lombard Odier International Portfolio Management Ltd., London; Mellon Bank, Pittsburgh; Morgan Guaranty Trust Co., New York; Mutual of New York; Royal Trust Co., Toronto; Smith Barney, Harris Upham & Co. Inc., New York; TCW Asset Managment Co., Los Angeles; and Western Asset Management Co., Los Angeles.

Managers for the savings and basic benefit plans include: Bankers Trust, New York; Delaware Investment Advisers, Philadelphia; Forstmann-Leff Associates, New York; Manufacturers Hanover Trust Co., New York; Fayez Sarofim Trust Co., Houston; Trust Co. of the West, Los Angeles; and Werth-

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eim Asset Management Services, Inc., New York. Custodian for the savings and basic benefit plans is Bankers Trust Co.

The retirement fund has $15 million invested in guaranteed investment contracts.

The key person for overseeing the fund is George C. Weintz, investment counsel.

Los Angeles City Employees' Retirement System

	($ millions)
Total assets	896
Pension	896
Profit-sharing	na
Thrift or savings	na
Employer contributions	75
Benefit payments	78

LOS ANGELES—The Los Angeles City Employees' Retirement System added two equity managers, Loomis, Sayles & Co. and Bankers Trust Co., late in 1982, and gave them $50 million each to manage. Other equity managers for the fund include First Pacific Advisors, Crocker Investment Management Corp. and CMB Investment Counselors. Fixed managers include Loomis, Sayles and Chemical Bank. Master custodian is Irving Trust.

As of Sept. 30, the fund had 15% in stocks, 72% in bonds and 13% in cash equivalents.

Its market value of assets for that date was $896.4 million. In 1981, its assets figure was given at cost and is not comparable.

The fund uses options as a hedging device.

The key officer overseeing the investment of funds is Earl Anschultz, general manager.

Los Angeles County Employees' Retirement Association

	($ millions)
Total assets	3,402*
Pension	3,402
Profit-sharing	na
Thrift or savings	na
Employer contributions	330
Benefit payments	230

*book value on June 30

LOS ANGELES—The Los Angeles County Employees' Retirement Association increased its investment in equity real estate to 5% of assets by September 1982, but that figure appears to be a tentative limit at least until the investment board reconsiders its asset allocation strategy.

However, the county fund, because of a new state law, is expected to increase significantly its purchase of California residential mortgages.

As of September, the county fund had 7% in mortgages, 5% in equity real estate, 25% in stocks, 55% in bonds and 8% in cash equivalents.

On a book value basis, the county retirement assets increased 17% as of June 30 from the previous 12-month period. A total of $1,875 million is managed internally, $1,750 million in fixed-income and $125 million in short-term investments.

Equity managers are Capital Guardian Trust and Massachusetts Financial Services; and fixed-income managers are Brown Brothers Harriman, CMB Investment Counselors and Capital Guardian. Real estate advisers are Thomas L. Karsten & Associates and Scudder Realty Advisors.

Key personnel involved in overseeing the investment of the assets are: H.B. Alvord, treasurer-tax collector; Betty Brewer, investment officer; and Alan Lowy, chairman-board of investments.

Los Angeles City Fire and Police Pension Fund

	($ millions)
Total assets	1,028*
Pension	1,028
Profit-sharing	na
Thrift or savings	na
Employer contributions	192
Benefit payments	183

*as of Sept. 17

LOS ANGELES—The Los Angeles City Fire and Police Pension Fund recently hired Bankers Trust Co. as its master trustee. Previously, it had maintained its securities in the city treasurer's vault.

The fund also has a new general manager, Gary Mattingly, who came from the city administrative office. The previous manager, James S. Muhlstein, retired.

As of Sept. 17, assets for the fund increased about 27% from the previous 12-month period.

The fund had 48% of assets in bonds, 30% in stocks and 22% in cash and equivalents.

Equity managers for the fund include: Chemical Bank, New York; Security Pacific Investment Managers Inc., Los Angeles; and Wright Investors' Service, Bridgeport, Ct. Bond managers are Security Pacific Investment Managers Inc., Los Angeles and Boston Co. Inc., Los Angeles.

The fund also manages $221 million in short-term investments in-house. Besides Mr. Mattingly, key investment personnel are: James McGuigan, assistant manager/fiscal and Steve Ballweber, investment officer.

Los Angeles Water and Power Employees' Retirement Plan

	($ millions)
Total assets	618
Pension	618
Profit-sharing	na
Thrift or savings	na
Employer contributions	72
Benefit payments	60

LOS ANGELES—Total assets grew 32% for the Los Angeles Water and Power Employees' Retirement Plan during 1982. Kathleen L. Thornton, assistant retirement plan manager for the fund, said the increase was due partly to the rise in bond prices.

As of Sept. 30, 1982, the asset mix for the fund was 57.8% bonds, 12.8% stocks, 20.9% cash equivalents and 8.5% mortgages.

Also at the fund, Richard W. Goss succeeded J.E. Sunderland as retirement plan manager. Mr. Goss had been with the city's administrative office. Mr. Sunderland retired.

Balanced managers for the fund have not changed from the previous year. They are Crocker Investment Management Co. and TCW Investment Management. However, about $98 million is run inhouse in a short-term account.

The fund uses options as a hedging device, and its master trustee is Bank of America.

Besides Mr. Goss, key personnel for the fund are Ms. Thornton and Clarence F. Brawn, investment officer.

Louisiana State Employees Retirement System

	($ millions)
Total assets	901
Pension	901
Profit-sharing	na
Thrift or savings	na
Employer contributions	101
Benefit payments	110

BATON ROUGE, LA.—In late October, the Louisiana State Employees Retirement System appointed Security Pacific Investment Managers, Los Angeles, to manage just less than half of its pension assets, and renewed its contract with Hibernia National

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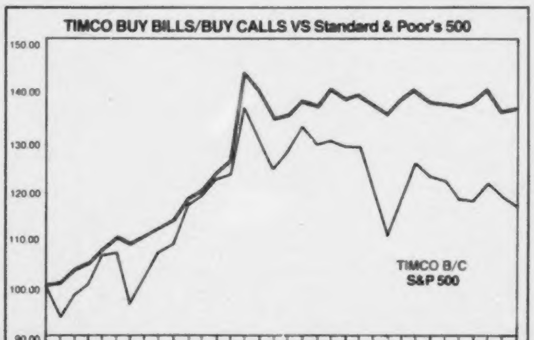

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Bank in New Orleans. Putnam Management Co. was terminated.

As of Sept. 30, 1982, the retirement system had total employee benefit assets of $901 million, of which $150 million was managed internally, all in short-term instruments.

The asset mix is 7% stocks, 70% bonds, 20% cash equivalents and 3% mortgages.

Hibernia National Bank and Security Pacific are balanced investment managers.

Key personnel overseeing the funds are Vernon L. Strickland, director, and Nick Montagnina, assistant investment officer.

Louisiana Teachers Retirement System

	($ millions)
Total assets	1,574*
Pension	1,574
Profit-sharing	na
Thrift or savings	na
Employer contributions	124*
Benefit payments	189*

*as of June 30, 1982

BATON ROUGE, LA.—Total assets at the Louisiana Teachers Retirement System increased as of Sept. 30 to about $1.6 billion (book value).

The asset mix is 2% stocks, 86% bonds and 12% cash equivalents. In-house investments total $150 million, all in short-term.

Hibernia National Bank; Scudder, Stevens & Clark; and Massachusetts Financial are balanced investment managers for the system.

Carleton Page, secretary treasurer, and Jennifer Netterville, investment portfolio specialist, oversee the investment management of the fund.

LTV Corp.

	($ millions)
Total assets	1,204
Pension	1,086
Profit-sharing	118
Thrift or savings	na
Employer contributions	na
Benefit payments	na

DALLAS—LTV Corp.'s pension assets increased slightly in 1982, to $1,204 from $1,072 the previous year.

Dropped from its stable of managers in 1982 was Fischer, Francis, Trees & Watts and T. Rowe Price Associates.

LTV added a 401(k) and corporate individual retirement account plan to its benefits offered to employees.

In November, LTV made its first move into international and committed $10 million apiece to two international equity managers—Morgan Grenfell and Fidelity International.

At about the same time, LTV set up a passive core equity portfolio and hired Franklin Portfolio Management to $75 million.

In addition, LTV hired Thomas L. Karsten Associates as a real estate investment adviser to help LTV make direct investments in real estate. At the same time, LTV announced its plans to up its real estate commitment from the current 10% to 15%.

And in December, LTV hired Manufacturers Hanover Trust to run a fixed-income "risk-control" portfolio to help the fund pay out its liabilities each year.

This fixed-income strategy, which adds a new wrinkle to the immunization concept, will comprise $75 million worth of the fund's assets.

As of Sept. 30, 1982, LTV's portfolio consisted of 56% stocks, 19% bonds, 16% cash equivalents, and 9% real estate equity.

Mellon Bank is the fund's master trustee.

LTV's managers are Bankers Trust Co., Century Capital Associates, Continental Illinois National Bank, Endowment Management & Research, InterFirst Investment Management, Forstmann-Leff Associates, IDS Advisory, MacKay-Shields Financial Corp., Mellon Bank N.A., Mercantile Securities, National City Bank in Cleveland, and Fayez Sarofim for equities; Scudder, Stevens & Clark for bonds; and Equitable Life and Prudential Insurance for real estate.

In charge of the LTV pension fund are George Simon, director of employee benefit trust administration and Ed Robie, director of employee benefit fund investments.

M

Machinists and Aerospace Workers

	($ millions)
Total assets	600
Pension	600
Profit-sharing	na
Thrift or savings	na
Employer contributions	73
Benefit payments	50

WASHINGTON—Total pension assets for the National Headquarters of Machinists and Aerospace Workers' three funds hit $600 million as of September 30, up 28% from $468 million the previous year.

The fund's sponsor is the Board of Trustees, I.A.M. National Pension Fund.

Managers for the funds were Dodge & Cox Inc., Drexel Burnham Lambert Investment Advisors, Pacific Investment Management Co., Pacific Mutual Life Insurance Co., L. F. Rothschild Asset Management, and Unterberg, Towbin. The master trustee is State Street Bank & Trust Co.

The asset mix was 32% in stocks, 40% in bonds, 14.6% in cash equivalents, 6.7% in real estate, and 6.7% in GICs as of Sept. 30.

Alan W. Skolnick is the fund director.

Manville Corp.

	($ millions)
Total assets	580
Pension	559
Profit-sharing	na
Thrift or savings	21
Employer contributions	24
Benefit payments	40

DENVER—The Manville Corp.'s employee benefit assets showed an 8% gain to $580 million, as of Sept. 30, 1982, up from 1981's total of $535 million.

The asset mix is 48% stocks, 41% bonds, 6% cash equivalents, 4% mortgages and 1% other investments.

GICs total $46 million, and $49 million is in dedicated bond funds.

Foreign markets play a major role with a total of $83 million invested, of which $42 million is fixed and $41 million equity.

Equity managers are Morgan Guaranty, MacKay-Shields, Centerre Trust and Diversified Fund of Canada. Scudder, Stevens & Clark handle bonds. Real estate advisers are Morgan Guaranty and Diversified Fund of Canada. Aetna oversees other investments.

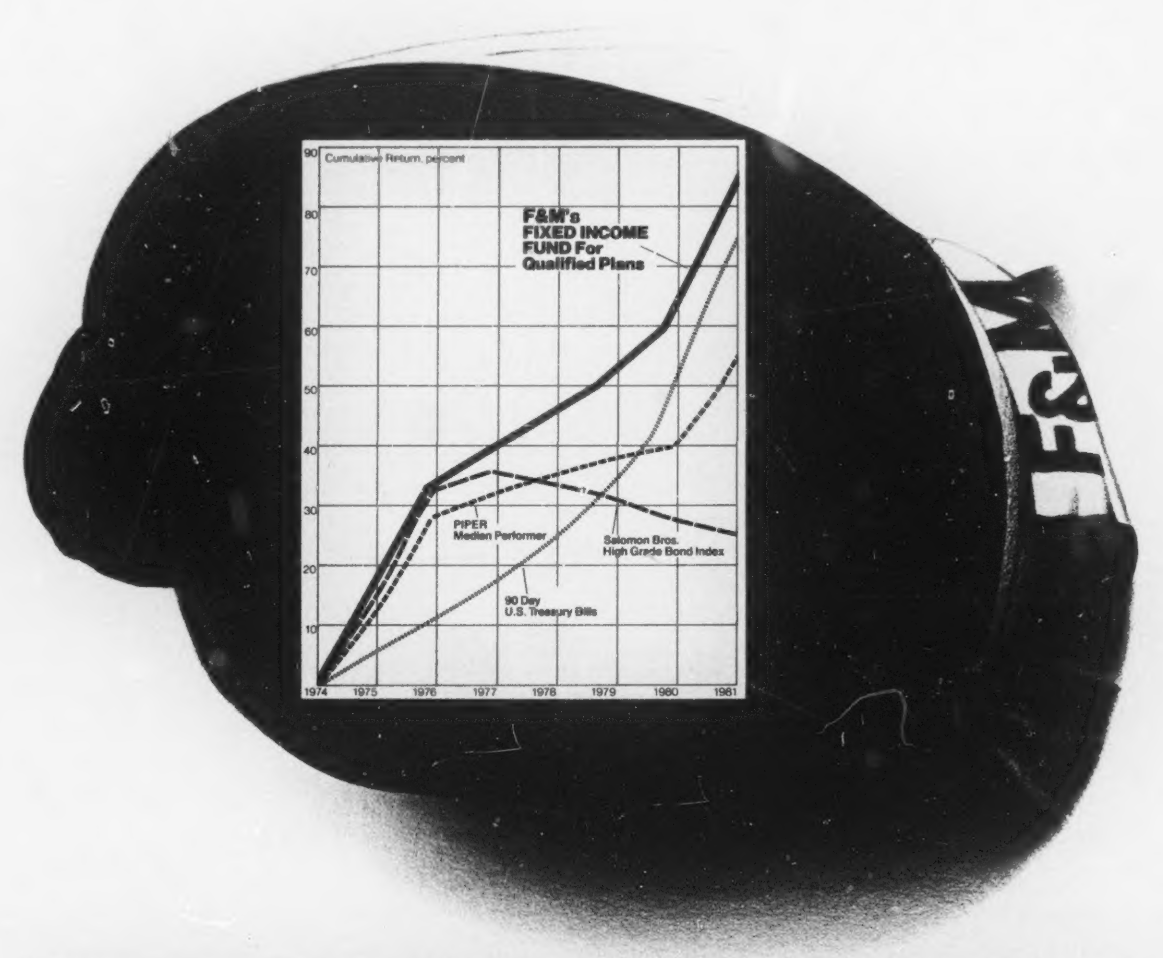
Harris Trust is master trustee.

J.L. Neill is director, trustee benefit funds.

Marathon Oil Co.

	($ millions)
Total assets	900
Pension	425
Profit-sharing	na
Thrift or savings	475
Employer contributions	80
Benefit payments	50

FINDLAY, OH.—Marathon Oil was acquired by U.S. Steel in 1982, a merger that met with much resistance from shareholders, including pension fund and pension fund manager stock owners. The merger



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did not affect Marathon's pension and savings plans as they remain separately managed, and so far there has been no indication that they will be consolidated, a company spokesman said.

In November, Marathon confirmed the pension fund had terminated American Asset Management and Morgan Guaranty Trust as managers.

Marathon's employee benefit assets increased 36%, as of Sept. 30, 1982, to $900 million from 1981's figure of $661 million.

The asset mix is 60% stocks, 20% bonds, 10% cash equivalents and 10% annuities.

The company has a savings plan and employee stock ownership program that is invested 63% in GICs, 25% in bonds, 11% in company stock and 1% in other stock.

Balanced managers for Marathon's fund are The Boston Co., Chase Investors, Equitable Life, IDS Advisory, Jennison Associates and Lord, Abbett & Co.

Chase Manhattan Bank is the master trustee.

Key personnel overseeing the fund are C.E. Merzbacher, vp and general tax counsel, C.K. Morgan, treasurer, and F.E. Braden, manager, benefits funding.

Marine Engineers Beneficial Association

	($ millions)
Total assets	643
Pension	643
Profit-sharing	na
Thrift or savings	na
Employer contributions	80
Benefit payments	26

BALTIMORE—Total pension assets at the Marine Engineers Beneficial Association (MEBA) Pension Trust rose to $643 million as of September 30, a 35% rise from the $477 million recorded the year before.

The asset mix for the fund included 27.7% in bonds, 0.8% in equities, 22.1% in cash equivalents, 8.8% in real estate equity, 2.1% in mortgages, and 38.5% in insurance contracts.

In November, MEBA dropped Chemical Bank as manager of a $113 million portfolio consisting of cash equivalents and fixed-income securities, replacing it with the First Boston Corp. Securities Evaluation and Management is the trust's other fixed income and cash manager.

Also, the fund replaced Lexington Management Corp. with Bear Stearns & Co. as manager of $18 million in equities, fixed income securities and cash equivalents. That portfolio had been inherited from the Brotherhood of Marine Engineers Pension Plan, which merged into MEBA in October 1981.

Insurance contracts, consisting almost entirely of group annuities with some GICs, were managed by Bankers Trust Co., The Travelers Insurance Co., New York Life Insurance Co., and Metropolitan Life Insurance Co.

Assets managed in-house totaled $105 million as of September 30, all invested short term.

Master trustee for the fund is Mercantile-Safe Deposit & Trust Co.

Lucille Hart is the fund's administrator, Gerald Zensky the controller, and Debbie Lucas is the investment coordinator.

Martin Marietta Corp.

	($ millions)
Total assets	925
Pension	775
Profit-sharing	na
Thrift or savings	150
Employer contributions	65
Benefit payments	26

BETHESDA, MD.—Martin Marietta was involved in a tangled attempted takeover battle by Bendix Corp. in 1982 that focused Department of Labor attention on the responsibilities of the Bendix plan fiduciary, Citibank, in such situations. Martin Marietta had attempted to purchase shares from a Bendix savings plan, which Bendix tried to prevent.

Martin Marietta's employee benefit assets jumped 20%, as of Sept. 30, 1982, to $925 million from 1981's total of $769 million.

The asset mix is 55% stocks, 35% bonds and 10% cash equivalents.

In-house managed assets total $100 million, with $60 million in fixed income and $40 million in equity.

GIC investments amount to $125 million. Options are being used as a hedging device.

Equity managers are Capital Guardian, Connecticut General, Pioneering Management, State Street Research, Eberstadt, and Gregg, McKay, Knight & McKay. Bond managers are Mellon Bank and T. Rowe Price. Options are being handled by Travelers, Chase Investors and Loomis Sayles.

Bankers Trust is the master trustee.

Wayne H. Shaner is assistant treasurer.

Maryland State Retirement Systems

	($ millions)
Total assets	2,890
Pension	2,890
Profit-sharing	na
Thrift or savings	na
Employer contributions	250
Benefit payments	115

BALTIMORE—The Maryland State Retirement & Pension Systems named five specialty growth managers in December 1982, moving $135 million in equity assets from under in-house management.

The five managers are Dimensional Fund Advisors; Thorndike, Doran, Paine & Lewis; Scudder, Stevens & Clark; Johnson, Valliant & Broadfoot Inc.; and Hambrecht & Quist Equity Management.

The fund plans to shift an additional $450 million to larger capitalization managers around the end of March. The remaining $900 million of assets invested in equities are in an internally managed index fund that tracks the S&P 500.

There were no plans to shift management of fixed income instruments.

Earlier in the year, the fund committed $20 million for mortgage-backed securities geared entirely for Maryland home loans.

As of Sept. 30, the Maryland fund had total pension assets of $2.9 billion, up 23% from the year before.

The asset mix was 35.1% in stocks, 28.3% in bonds, 22.4% in cash equivalents and 14.2% in mortgages.

Howard J. France is the fund's executive director. Arthur M. Lynch is director-fixed income, and Enos Throop is director-equities.

Massachusetts State Employees & State Teachers Annuity Funds

	($ millions)
Total assets	1,942
Pension	1,942
Profit-sharing	na
Thrift or savings	na
Employer contributions	na
Benefit payments	na

BOSTON—The Commonwealth of Massachusetts pension funds committed $18 million in October to an in-state mortgage program with other local public funds.

In June, it put up $20 million of a $28 million pool contributed by state, city and county funds to make mortgage money available to banks to lend.

In November, the internally managed state teachers fund named State Street Bank and Trust, Boston, as custodian, replacing First National Bank of Boston. FNB continues to serve as custodian for the state employees fund, also internally managed.

Total assets as of Sept. 30, 1982, were $1.9 billion, an increase of 37% from 1981's $1.4 billion total.

The asset mix was 8% stocks, 54% bonds, 36% mortgages (includes Ginnie Mae pools and in-state residential mortgage pools) and 2% cash equivalents.

Philip D. Kett is the chief investment officer and Alan R. West is the senior investment officer.

McDermott Inc.

	($ millions)
Total assets	805
Pension	631
Profit-sharing	3
Thrift or savings	171
Employer contributions	85
Benefit payments	35

NEW ORLEANS—McDermott Inc. took steps in 1982 to bring the majority, $485 million of $805 million, of its employee benefits assets in-house, terminating T. Rowe Price and Morgan Guaranty in the process.

The bulk of the in-house money, $483 million, is in fixed-income assets, $20 million of which is short term.

Outside managers are Delaware Investment Advisers, BEA Associates, Fayez Sarofim and Forstmann-Leff for equities and Mellon Bank for bonds. The Northern Trust Co. is master trustee.

Pension assets as of Sept. 30, 1982, were divided 15% stock, 80% bonds and 5% cash equivalents.

Almost half of the total employee benefit assets, $390 million, is in dedicated bonds.

N.E. Mezey, vp, oversees the investment management of the funds.

McDonnell Douglas Corp.

	($ millions)
Total assets	2,778
Pension	2,159
Profit-sharing	na
Thrift or savings	619
Employer contributions	235
Benefit payments	91

ST. LOUIS—Before Ralph DiFiore, McDonnell Douglas Corp.'s director of retirement funds management left in the spring of 1982, he diversified from largely passive investments, placing $30 million in the specialized stock funds of two Chicago firms, Dimensional Fund Advisors and Treynor-Arbit Associates.

Nomura Capital Management Inc. also was hired to run more than $20 million in overseas equities.

David Hammerstein, previously with B.F. Goodrich Co., replaced Mr. DiFiore in late summer.

Total assets were up 33% from 1981, and stood at $2.8 billion at the end of September.

A large portion of its pension plan, $946 million, is indexed.

The asset mix is 49% stocks, 49% bonds and 2% cash equivalents.

For the savings plan, 62% of the assets are in company stock, 13% in other stocks, 12% in bonds and the rest in other investments.

The company also started a 401(k) plan for its employees.

Its other equity managers are Aetna Capital Management Inc. and Bankers Trust Co., which also is the company's master trustee. Aetna, Bankers, Centerre Trust Co. of St. Louis and Chemical Bank manage bonds.

In addition to the newly appointed Mr. Hammerstein, John Chase, corporate assistant treasurer and Sheryl Kwiatek, investment analyst, oversee the fund.

Metropolitan Insurance Companies

	($ millions)
Total assets	1,600*
Pension	na
Profit-sharing	na
Thrift or savings	na
Employer contributions	60*
Benefit payments	na

*estimate for 1981

NEW YORK—Metropolitan reported total assets of $1.6 billion, and a total pension expenses of $60.5 million in 1981, a 2.9% drop from the previous year.

All of the pension assets are managed internally.

Joseph Rubsam, vp, was spokesman for the fund.

Michigan State Employees Retirement System

	($ millions)
Total assets	6,339
Pension	6,339
Profit-sharing	na
Thrift or savings	na
Employer contributions	586
Benefit payments	360

LANSING—The Michigan State Employees Retirement System finalized its in-house move, releasing Prudential Insurance Co. of America, which managed a $70 million equity portfolio. The Michigan Legislature passed a bill expanding the fund's investment authority, and saved about $130 million in contributions by increasing the fund's interest-rate assumption to 8% from 6%.

The fund during 1982 grew 34% to $6.3 billion from $4.7 billion a year earlier.

The asset mix is 50% bonds, 24% stocks, 6% cash and 20% mortgages.

William A. Amerman is director of investments.

City of Milwaukee

	($ millions)
Total assets	612
Pension	612
Profit-sharing	na
Thrift or savings	na
Employer contributions	33
Benefit payments	25

MILWAUKEE—The Milwaukee City Fund had total assets of $612 million as of Sept. 30, 1982, a 35%

January, 1983

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ROBERT C. BREWER

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increase from 1981's $453 million total.

The entire amount is pension, with 27% invested in stocks, 63% in bonds, and 10% in cash equivalents.

Balanced managers are Funds Advisory and Loomis, Sayles & Co. Handling bonds is Heritage Investment Advisors.

First Wisconsin Trust Co. is the master trustee.

Robert G. Nehls is secretary and executive director, Duamel Vellon, is assistant secretary and director, and Christian Foerster is accountant.

Minnesota Mining and Manufacturing Co.

	($ millions)
Total assets	887
Pension	887
Profit-sharing	na
Thrift or savings	na
Employer contributions	84
Benefit payments	30

ST. PAUL, MN.—This year, Minnesota Mining and Manufacturing added Hoisington Investment Management as a bond manager, causing Brown Brothers Harriman and Harris Trust to be dropped. J.J. Erdman, assistant treasurer, retired, and was replaced by H.H. Vernon.

Minnesota Mining and Manufacturing's employee benefit assets increased 28% to $887 million in 1982 from 1981's total of $689 million.

The company did not disclose the asset mix.

Equitable Life, Citibank and Rosenberg are managing the fund's real estate interests. Alliance Capital, Batterymarch Finance, EM&R, IDS Advisory, T. Rowe Price and Minnesota Mutual are managing equities. Bond managing firms are Pacific Investment Management, Sun Life, Minnesota Mutual and Hoisington.

Pension assets invested in foreign markets total $5 million, all of which are in equities. Oil and gas is used as an alternative investment.

First Trust Co. of St. Paul is the master trustee.

Mr. Vernon oversees investment of the fund.

Minnesota State Board of Investment

	($ millions)
Total assets	4,088
Pension	4,088
Profit-sharing	na
Thrift or savings	na
Employer contributions	na
Benefit payments	na

ST. PAUL, MN.—The Minnesota State Board of Investment had only $60 million of its approximately $4.1 billion in assets managed by outside managers at the end of September. The fund has been in the process of looking for outside managers.

The fund named a new director, Howard J. Bicker, in December to take the place of Jonathan P. White, who left in September 1981.

Assets for the fund increased 2.6% between 1981 and 1982 and stood at $4 billion at the end of September.

Equities and bonds are managed in-house, but the Minnesota board does participate in real estate accounts with Prudential, Equitable and Aetna and is active in a partnership with American Gas & Oil Investors.

The Minnesota board has 36.1% in stocks, 40% in bonds, 15.4% in cash equivalents, 7% in mortgages and 1.5% in real estate equity.

Howard J. Bicker is the executive director, Roger Henry is manager in charge of equities and Robert Barman is manager of fixed-income securities.

Public Employees Retirement System of Mississippi

	($ millions)
Total assets	1,240
Pension	1,240
Profit-sharing	na
Thrift or savings	na
Employer contributions	118
Benefit payments	77

JACKSON, MS.—Pension assets of the Public Employees Retirement System of Mississippi grew about 19% during 1982 to $1.2 billion as of Sept. 30.

About $1,159 million is managed internally in bonds.

Three outside equity managers run the remaining $81 million. These three managers are Alliance Capital Management, Fayez Sarofim & Co. and Scudder, Stevens & Clark.

As of Sept. 30, the portfolio mix was about 7% stocks, 88% bonds and 5% cash equivalents.

In addition, the system has less than 1% of its assets tied-up in mortgages.

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Charles Wilkinson, deputy director-investments, and Jim Dunn, investment manager, are responsible for overseeing the investment management of the assets.

Missouri Public School Retirement System

	($ millions)
Total assets	1,467*
Pension	1,467
Profit-sharing	na
Thrift or savings	na
Employer contributions	178*
Benefit payments	78*

*as of June 30, 1982

JEFFERSON CITY, MO.—The Missouri Public School Retirement System's employee benefit assets, all pension assets, totaled over $1.4 billion, as of June 30, 1982.

The asset mix is 60% bonds, 15% stocks, 13% cash equivalents and 12% mortgages.

Boatman's National Bank of St. Louis continues to be the system's sole investment manager.

David Mustoe is executive secretary.

Mobil Oil Corp.

	($ millions)
Total assets	3,500
Pension	2,800
Profit-sharing	na
Thrift or savings	700
Employer contributions	300
Benefit payments	200

NEW YORK—Mobil Oil Corp.'s total assets increased 2.9% from $3.4 billion to $3.5 billion during 1982.

The pension assets, at $2.8 billion, consist of assets from the Mobil Oil Retirement Plan, the Montgomery Ward Retirement Plan, the Container Corp. Retirement Plan and the Omnibus Trust, which comprises assets from Mobil affiliates.

Managers for all of Mobil's pension assets are Bankers Trust, Capital Guardian Trust Co., Chase Investors Management Corp., Citibank, Fayez Sarofim & Co., Morgan Guaranty Trust Co., The Putnam Advisory Co., State Street Research & Management, Stein Roe & Farnham, T. Rowe Price Associates Inc., U.S. Trust and Weiss, Peck & Greer.

GICs are with Aetna Life & Casualty Co. and Metropolitan Life Insurance Co. Metropolitan also has insurance contracts.

Jennison Associates Capital Corp. is manager for the savings plan.

The approximate mix of the pension assets at the end of September was 55% stock, 40% bonds and 5% cash equivalents.

Mobil, through commingled funds at Bankers, Citibank and Morgan, invested $2 million in foreign markets. Of that, 90% was in equities.

Mobil also does securities lending. During 1982, Mobil started a 401(k) plan.

U.S. Trust is master trustee for the $80 million in the Omnibus Trust.

Charles Clune is the manager-benefit funds, R.H. Gardner is treasurer, Fred Seibold is senior assistant treasurer and Kamel Khanna is assistant manager-benefit plan funding.

Monsanto Co.

	($ millions)
Total assets	1,800
Pension	1,500
Profit-sharing	na
Thrift or savings	300
Employer contributions	140
Benefit payments	55

ST. LOUIS—Monsanto Co.'s total employee benefit assets were up 28.6% in 1982 to $1.8 billion from $1.4 billion in the previous year.

The asset mix of the pension fund as of Sept. 30, 1982, was 60% in stocks, 29% in bonds, 8% in real estate equity, 2% in cash equivalents and 1% in mortgages.

Pension assets in guaranteed investment contracts amount to $55 million.

Managers for the fund include E.W. Axe; David L. Babson; Brown Brothers Harriman; Citibank; Delaware Investment Advisers; Eberstadt Asset; Equitable Life; Fisher, Francis, Trees & Watts; Lord Abbet; MacKay-Shields; Morgan Guaranty; Pioneering Management; T. Rowe Price; Putnam Advisory; Putnam Capital; St. Louis Union Trust; and U.S. Trust.

The master trustee for Monsanto is Northern Trust Co. and the Frank Russell Co. is the consultant.

In 1982, Monsanto started a company qualified individual retirement account for its employees.

A.E. Wolfarth, assistant treasurer, oversees investment management of the funds.

Montana Board of Investments

	($ millions)
Total assets	577*
Pension	577
Profit-sharing	na
Thrift or savings	na
Employer contributions	na
Benefit payments	na

*figures as of June 30, 1982.

HELENA, MT.—The $577 million in total pension assets run by the Montana Board of Investments consist of three separate retirement plans. They include $304 million in the Public Employees Retirement System fund, $233 million in the Teachers Retirement System fund and $40 million from six smaller pension funds.

Total assets grew more than 13% from 1981's figure of $510 million in pension assets.

As in the past, the entire investment portfolio managed by the Board of Investments is run internally. The retirement system continues to retain Scudder, Stevens & Clark for outside investment advice.

As of June 30, 1982, the portfolio mix for the retirement system was 13% equities, 66% bonds, 7% cash equivalents and 14% in mortgages.

James Howeth, investment officer, and Rodney Young, assistant investment officer, are responsible for running the assets for the retirement system.

Motorola Inc.

	($ millions)
Total assets	627
Pension	194
Profit-sharing	433
Thrift or savings	na
Employer contributions	45
Benefit payments	4

SCHAUMBURG, IL.—During 1982 Motorola Inc.'s employee benefit assets increased 18%, to $627 million, from 1981's total of $531 million.

The pension asset mix as of Sept. 30, 1982, was 60% stocks, 23% bonds, 5% real estate equity and 12% cash equivalents.

The fund has $26 million invested in GICs, and $12 million invested in foreign markets, all of which are in equities.

The profit-sharing fund is invested 11% in company stock, 37% in other stock, 37% in bonds and 15% in other investments.

Assets managed in-house total $50 million; $39 million is in equities and the remainder is in short-term investments.

The company plans to start a 401(k) plan in 1983.

Stein Roe & Farnham, State Street Research & Management, Capital Guardian, Lincoln Capital Management and Jennison Associates are equity managers.

Brown Brothers Harriman, Stein Roe & Farnham and Scudder, Stevens & Clark handle bonds. Prudential Insurance and Equitable Life are real estate managers. Mor-

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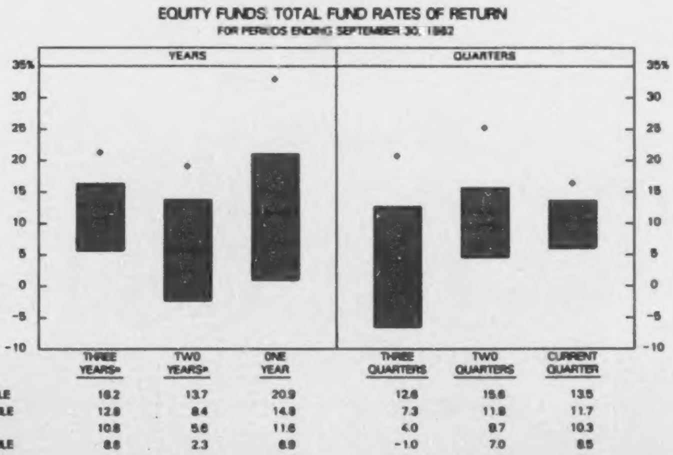

EQUITY FUNDS: TOTAL FUND RATES OF RETURN
FOR PERIODS ENDING SEPTEMBER 30, 1982

	THREE YEARS*	TWO YEARS*	ONE YEAR	THREE QUARTERS	TWO QUARTERS	CURRENT QUARTER
5TH PERCENTILE	16.2	13.7	20.9	12.6	15.6	13.5
25TH PERCENTILE	12.8	8.4	14.8	7.3	11.8	11.7
MEDIAN	10.8	5.6	11.6	4.0	8.7	10.3
75TH PERCENTILE	8.8	2.3	6.9	-1.0	7.0	8.5
95TH PERCENTILE	5.7	-2.3	0.9	-6.5	4.6	6.0
FUND 81897	21.3	19.0	32.9	20.7	25.2	16.4
PERCENT RANK	1	1	1	1	1	1

* ANNUALIZED RETURNS

Becker

gan Guaranty and Citibank handle international investments. Metropolitan Life handles GICs.

Northern Trust and Harris Trust are master trustees.

Garth Milne, assistant treasurer, oversees the management of the funds.

N

National Rural Electric Cooperative Association

	($ millions)
Total assets	690
Pension	570
Profit-sharing	na
Thrift or savings	120
Employer contributions	120
Benefit payments	54

WASHINGTON—The National Rural Electric Cooperative Association hired Liberty Square Investment Associates to manage a small-company stock portfolio in November 1982.

Earlier in the year, the NRECA selected the Lincoln Insurance Group to manage a fixed-income portfolio, replacing Fischer, Francis, Trees & Watts Inc., which was dropped.

Chesapeake Capital Management Inc. was picked to handle equities. Also, the NRECA purchased GICs from Travelers Insurance Co. for its savings plan.

In addition, the association chose Axe-Houghton to run its new payroll deduction individual retirement account program.

As of Sept. 30, 1982, the NRECA reported total assets of $690 million in its retirement and savings plans, up from $600 million the year before.

More than a quarter of the pension assets were managed internally, with $105 million invested in fixed income and $50 million in short-term.

The asset mix was 55% in stocks, 27% in bonds and 18% in cash equivalents.

The NRECA had $59 million in an immunized bond portfolio. For its savings plan, $62 million were invested in GICs managed by Aetna Life Insurance Co. and Travelers. NRECA also had $10 million allocated for oil and gas investments, but had not yet invested those assets.

Other funds managers include Atlanta Capital Management Co.; Barrow, Hanley, Mewhinney & Strauss Inc.; Capital Guardian Trust Co.; Kleinwort Benson International Investment; Morgan Guaranty Trust Co. of New York; Waite & Correnti; and Wilmington Capital Management Inc., equities; and Harris Trust & Savings Bank, fixed income.

Wachovia Bank & Trust Co., N.A. is the master trustee.

Peter R. Morris is the manager of investments.

National Steel Corp.

	($ millions)
Total assets	828
Pension	774
Profit-sharing	na
Thrift or savings	54
Employer contributions	116
Benefit payments	100

PITTSBURGH, PA.—Employees of National Steel Corp.'s ailing Weirton, Pa., steel plant wish to purchase the plant and turn it into a profitable operation.

In late November, word was adrift that National Steel Corp. would propose the employees start a dedicated bond portfolio, an action that virtually would erase part of the plan's large unfunded liability. Earlier in 1982, the employees proposed to purchase the company's unprofitable steel division through an employee stock ownership program.

National Steel Corp.'s employee benefit assets rose 1%, to $828 million, from 1981's total of $819 million.

The pension asset mix was 31% stocks, 37% bonds, 19% cash equivalents and 13% real estate equity.

About $6 million was invested in GICs.

The company started an individual retirement account program in 1982. The fund makes venture capital investments.

Citibank, Dreyfus Management, Brokaw Capital Management, NSR Capital and Value Line handle equities. Bond managers for the fund are Citibank, Centerre Trust and Equitable Life. John Hancock, Prudential and Equitable Life manage real estate.

Bankers Trust Co. is the master trustee.

Overseeing the investment management of the funds is D.W. Gingery.

Nevada Public Employees Retirement System

	($ millions)
Total assets	777*
Pension	777
Profit-sharing	na
Thrift or savings	na
Employer contributions	98*
Benefit payments	43*

*as of June 30, 1982

CARSON CITY, NV.—Will Keating, formerly assistant executive officer, was named executive officer for the Nevada Public Employees Retirement System in February, succeeding Vernon Bennett who resigned in November 1981.

The total asset figure as of June 30, 1982, for the retirement system was $777 million.

The asset mix was 12% stock, 65% bonds, 6% cash equivalents, 1% real estate equity and 16% mortgages.

The fund manages $250 million in-house, invested entirely in mortgages and real estate.

Funds Advisory Co. is a balanced manager for the fund. Nevada National Bank is master trustee.

Key personnel are Mr. Keating and Linda Jean Lofgren, investment analyst.

New Jersey Division of Investment

	($ millions)
Total assets	6,150*
Pension	6,150
Profit-sharing	na
Thrift or savings	na
Employer contributions	540
Benefit payments	400

*as of June 30

TRENTON, N.J.—The New Jersey Division of Investment manages all of its assets internally.

The assets as of June 30, totaled $6.15 billion.

The fund uses some options, but a spokesman said they were not used as a hedging device.

On June 30, the asset mix was 28% in equities, 54% in bonds, 3% in cash equivalents and 15% in mortgages.

Roland Machold, director of the fund and William Mooney, deputy director, oversee the investment of the fund.

New Mexico Educational Retirement Board

	($ millions)
Total assets	540*
Pension	540*
Profit-sharing	na
Thrift or savings	na
Employer contributions	90*
Benefit payments	35*

*as of June 30

SANTA FE, N.M.—The New Mexico Educational Retirement Board's employee benefit assets totaled $540 million as of June 30, 1982.

The full amount of the fund is managed in-house.

The asset mix is 85% bonds, 10% stocks and 5% cash equivalents.

Vaughn, Nelson & Hargrove acts in an advisory role for the board's investment management.

Robert Short is investment manager for the fund.

Top 25 pension plans

Rank	Fund/Sponsor	Assets ($ millions)
1.	American Telephone & Telegraph Co.	40,100
2.	New York State Common Retirement Fund	16,968
3.	New York City Retirement Systems	15,953
4.	General Motors Corp.	13,800
5.	California Public Employees Retirement System	13,507
6.	New York State Teachers' Retirement System	9,975
7.	General Electric Co.	7,388
8.	Teacher Retirement System of Texas	7,313
9.	California State Teachers Retirement System	7,298
10.	International Business Machines	6,986
11.	Michigan State Employees Retirement System	6,339
12.	Ohio Public Employees Retirement System	6,291
13.	Wisconsin Investment Board	6,184
14.	Ohio Teachers Retirement System	6,176
15.	New Jersey Division of Investment	6,150
16.	North Carolina Retirement System	6,073
17.	Ford Motor Co.	6,038
18.	U.S. Steel & Carnegie Pension Fund	5,414
19.	E.I. du Pont de Nemours and Co.	5,253
20.	Florida State Board of Administration	4,659
21.	Pennsylvania School Employees Retirement System	4,230
22.	Minnesota State Board of Investment	4,088
23.	Teamsters, Western Conference	3,789
24.	Teamsters, Central States	3,721
25.	GTE Corp.	3,600
	TOTAL	217,293

Top 25 profit-sharing plans

Rank	Fund/Sponsor	Assets ($ millions)
1.	Sears, Roebuck & Co.	2,078
2.	Shell Oil Co.	1,598
3.	Standard Oil Co. of California	1,536
4.	Xerox Corporation	988
5.	Boeing Co.	900
6.	Lockheed Corp.	738
7.	J.C. Penney Co.	654
8.	Bechtel Power Corp.	650
9.	Halliburton Co.	605
10.	Eastman Kodak Co.	572
11.	Motorola Inc.	433
12.	Signal Companies Inc.	350
13.	TRW Inc.	296
14.	Union Oil Co. of California	265
15.	Caterpillar Tractor	260
16.	Texas Instruments	240
17.	Grumman Corp.	239
18.	Philip Morris Inc.	188
19.	Exxon Corp.	180
20.	Dart & Kraft Inc.	152
21.	LTV Corp.	118
22.	Citibank	101
23.	Dow Chemical Co.	95
24.	CIGNA Corp.	94
25.	John Hancock Mutual Insurance Co.	84
	TOTAL	13,414

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Sponsors with internal management of pension fund assets

	Total	Equity	Fixed	Cash
	($ millions)			
N.Y. State Common	14,500	2,000	11,300	1,200
California Employees	13,507	3,645	9,561	301
N.Y. State Teachers	9,975	3,141	6,310	524
General Electric	7,358	3,592	3,265	501
Texas Teachers	7,313	2,087	4,778	448
California Teachers	7,298	1,684	5,311	303
Michigan Employees	6,339	1,532	4,457	350
Ohio Employees	6,291	1,007	4,026	1,258
Wisconsin Board	6,184	2,182	3,332	670
Ohio Teachers	6,176	2,564	2,644	968
New Jersey Division	6,150	1,722	4,228	200
N. Carolina System	6,073	1,052	4,887	134
U.S. Steel & Carnegie	5,414	4,050	1,180	185
Du Pont	5,253	2,486	2,384	383
Florida State Board	4,659	1,212	3,056	391
New York City	4,659	000.0	2,688	1,971
Minnesota State Board	4,028	1,619	1,749	660
Georgia State	3,208	1,051	2,068	89
Alabama Retirement	3,017	106	2,648	263
Washington State	2,933	550	2,074	309
Maryland State	2,890	1,013	1,229	647
Colorado Employees	2,760	1,070	1,415	275
U.N. Joint Staff	2,600	1,404	1,118	78
I.B.M.	2,567	723	1,593	251
Tennessee Consolidated	2,275	516	1,580	179
South Carolina	2,100	000	2,100	000
Union Carbide	2,051	615	1,327	109
Bethlehem Steel	2,000	1,260	600	140
Oregon Employees	2,000	000	2,000	000
Massachusetts	1,942	136	1,753	53
Los Angeles County	1,875	1,750	000	125
Texas Employees	1,712	257	1,455	000
Metropolitan Insurance	1,600	000	000	000
Exxon Corp.	1,594	1,378	167	49
Westinghouse	1,550	400	1,150	000
Procter & Gamble	1,377	1,143	234	000
Electrical Workers	1,282	180	800	302
Chicago Teachers	1,280	222	785	273
Virginia Supplemental	1,224	221	834	169
Mississippi Employees	1,159	000	1,159	000
Illinois Board	1,155	448	608	99
Alaska	1,013	000	866	147
Ohio Police and Fire	1,004	000	771	233
AT&T	1,000	1,000	000	000
Aetna Life	974	474	465	36
Utah State	962	57	736	169
Connecticut	915	000	750	165
Firestone Tire	908	307	573	28
Atlantic Richfield	900	500	350	50
Ohio School Employees	898	73	683	142
Commonwealth Edison	876	na	na	na
West Virginia Employees	820	000	670	150
Citibank	785	527	227	31
San Francisco City & Cty.	757	000	665	92
Oklahoma Teachers	716	142	574	000
Deere & Co.	700	560	130	10
Hawaii Employees	700	000	654	46
Southern Baptist	696	00	672	24
Travelers Corp.	650	405	198	47
Grumman Corp.	640	298	236	106
Republic Steel	630	300	185	145
John Hancock	612	277	335	000
New York Life	585	na	na	na
Philadelphia Mutual	582	000	470	111
Montana Board	577	75	462	40
GTE Corp.	550	000	500	50
Shell Oil Co.	550	106	414	30
Texas County and District	544	na	na	na
New Mexico Educational	540	55	459	26
Dow Chemical Co.	525	180	220	125
CIGNA Corp.	497	244	253	000
McDermott Inc.	485	2	483	00
Textron Inc.	422	37	248	137
Sperry Corp.	404	127	93	184
Operating Engineers	381	000	254	126
Armco Inc.	366	176	21	169
American Airlines	320	35	285	000
United Air Lines	267	000	215	52
Litton Industries	262	000	262	000
Arizona State	250	000	000	250
Hughes Aircraft	250	100	000	150
Nevada Employees	250	000	250	000
Standard Oil (In.)	250	195	30	25
United Mine Workers	235	000	108	127
Detroit Retirement	221	000	27	194
L.A. City Fire and Police	221	000	000	221
Ford Motor Co.	210	000	210	000
Allied Corp.	200	50	150	000
Indiana Employees	176	000	170	6
Kansas Employees	164	000	19	145
Tenneco Inc.	156	000	150	5
NRECA	155	000	105	50
TRW Inc.	153	118	4	31
Iowa Employees	150	000	000	150
Louisiana Employees	150	000	000	150
Louisiana Teachers	150	000	000	150
Bechtel Power	127	000	54	73
Kentucky Retirement	125	000	000	125
Kentucky Teachers	110	000	110	000
MEBA	105	000	000	105
Martin Marietta	100	40	60	000
L.A. Water and Power	98	000	000	98
Teamsters, Central States	92	000	000	92
Halliburton	90	90	000	000
Arkansas Teacher	86	000	42	44
FMC Corp.	75	62	7	6
United Methodist	75	000	35	40
Getty Oil Co.	74	000	46	28
Motorola Inc.	50	39	000	11
Ashland Oil Inc.	31	6	20	5
Eaton Corp.	30	23	000	7
Owens-Illinois	28	20	000	8
J.C. Penney Co.	25	000	12	12
Union Oil Co.	20	000	000	20
Eli Lilly & Co.	17	000	000	17
Chrysler Corp.	15	000	15	000
Boilermakers, Blacksmiths	6	000	000	6
Continental Group	6	6	000	000
United Presbyterian Church	5	000	000	5
TOTAL	**199,066**	**56,614**	**118,269**	**18,889**

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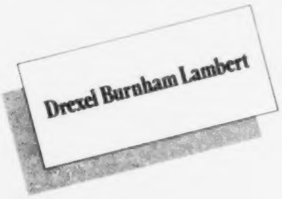

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New York City Retirement Systems

	($ millions)
Total assets	15,953
Pension	15,953
Profit-sharing	na
Thrift or savings	na
Employer contributions	1,850
Benefit payments	1,850

NEW YORK—The assets of the New York City Employees and Teachers retirement funds increased by 28% in the year ended Sept. 30, 1982, to $15.9 billion.

The system hired BEA Associates as an equity manager in 1982. The other equity managers for the system, which includes the New York City Employees fund, the New York City Police fund, the New York City Firemen's fund and the New York City Board of Education fund, are Alliance Capital Management, Bankers Trust, Eberstadt Asset Management, Forstmann-Leff Associates, MacKay-Shields Financial Services, Oppenheimer Capital Corp. and Scudder, Stevens and Clark.

Fixed-income managers are Chemical Bank, Citibank, Fiduciary Trust and Lehman Management.

The New York City Teachers' Retirement System manages $1.8 billion in its variable annuity program independently of the rest of the system. Its managers are Alliance Capital Management; Bankers Trust; Batterymarch Financial Management; Bernstein Macaulay; BMI Capital Corp.; Granahan Everett & Co.; Management Asset Co.; Gregg, McKay, Knight & McKay; McConnell & Miller Inc.; Prudential Insurance; Scudder, Stevens & Clark; Treynor, Arbit & Co.; Value Line Asset Management; Wells Fargo Investment Advisors; and William D. Witter Inc. BMI Capital and Gregg, McKay, Knight & McKay were added in 1982 while Glickenhaus was terminated.

Rogers, Casey & Barksdale Inc. is consultant to the fund.

The city fund manages $4.6 billion internally, with $2.7 billion in fixed income and $1.9 billion in short-term investments. It has $1.4 billion indexed with Bankers Trust.

The overall asset mix for the city retirement system is 28% stock, 59% bonds, 12% cash equivalents and 1% in mortgages.

Jack R. Meyer, deputy comptroller-asset management, Robert T.C. Eilson, chief-bureau of investments, and Jill Costelloe, senior equity analyst, oversee the investments of the funds.

Wally Sullivan, executive director, and Patrick Kiernan, assistant executive director, oversee the Teachers Variable Annuity fund.

New York Life Insurance Co.

	($ millions)
Total assets	597
Pension	552
Profit-sharing	34
Thrift or savings	11
Employer contributions	17
Benefit payments	20

NEW YORK—All of New York Life's $597 million in employee benefit assets are managed internally, and all of the pension assets are invested via group annuity contracts.

The company's profit-sharing assets as of Dec. 31, 1981, the last date for which the company could supply information, were $34 million.

The asset mix for the profit sharing assets was 29% stocks and 71% bonds and mortgages.

During 1982, the company offered a corporate individual retirement account plan to its employees.

Donald K. Ross, chairman, Jacob B. Underhill, president, and George A.W. Bundschuh, executive vp, oversee the funds.

New York State Common Retirement Fund

	($ millions)
Total assets	16,968
Pension	16,968
Profit-sharing	na
Thrift or savings	na
Employer contributions	1,884
Benefit payments	na

ALBANY, N.Y.—During 1982, Madelon Talley resigned as director of the New York State Common Retirement Fund to join New Court Capital Management as president and chief investment officer. She was replaced by William Foulk.

During the year, the fund's assets grew by 12%, and stood at $16.9 billion as of Sept. 30.

The fund has 10 outside equity managers: Alliance Capital Management, The Bank of New York, Chemical Bank, Lazard Freres, Morgan Guaranty, Oppenheimer Capital Corp., Rothschild Asset Management, J. & W. Seligman, U.S. Trust Co. and Shearson/American Express Asset Management.

Because state laws governing the investment of this and other state pension fund assets were eased during the year, the fund might increase its equity exposure and is looking to add additional equity managers.

The fund manages $14.5 billion internally, of which $2 billion is in an index fund, $11.3 billion is in fixed income and $1.2 billion is in cash equivalents.

The asset mix as of Sept. 30, 1982, was 25% equities, 50% bonds, 9% cash equivalents and 16% real estate equities.

Chase Manhattan Bank is the master custodian.

Mr. Foulk oversees investment management of the funds.

New York State Teachers' Retirement System

	($ millions)
Total assets	9,975*
Pension	9,975
Profit-sharing	na
Thrift or savings	na
Employer contributions	754
Benefit payments	418

*based on book and market values

ALBANY, N.Y.—During 1982, the New York State Teachers' Retirement System received legislative approval to hire outside investment managers. In the latter part of the year, it named its first two equity managers: Sanford C. Bernstein & Co., and Lehman Management Co.

It's expected the system will allocate $150 million to Bernstein by

February and $250 million to Lehman on or before Sept. 1, 1983. The managers will receive new money.

Manufacturers Hanover Trust continues as equity adviser.

Legislative changes also broadened the system's equity investments and exposure; the equity limit has been raised to 40% of total assets, and it can, through a basket clause, invest in new investment concepts not specified in the legislation. Total assets were up 14.3% from the previous year, and stood at $9.97 billion as of Sept. 30.

The system uses options.

At the end of September, the approximate asset mix was 46% bonds, 32% stocks, 13% mortgages, 5% in cash equivalents and 4% in other assets, including equity real estate and member loans.

Edward Reno Jr. is securities investment officer, and Lowell Blom is mortgage officer.

North Carolina Retirement System

	($ millions)
Total assets	6,073*
Pension	6,073
Profit-sharing	na
Thrift or savings	na
Employer contributions	286
Benefit payments	232

*book value

RALEIGH, N.C.—Christopher S. Moore resigned in protest as the top pension executive for the North Carolina Retirement System in November.

Mr. Moore objected to a memorandum issued by State Treasurer Harlan E. Boyles requiring, among other things, that department officials list their business luncheons and other invitations from outsiders, and suggesting that officials bring "at least one associate" when accepting such invitations.

Douglas Chappell was named to succeed Mr. Moore as deputy treasurer and director-investment and banking division. Mr. Chappell had served as assistant director for seven years, and has been with the system for 17 years.

Earlier in the year, the fund dropped Chase Manhattan Bank as master trustee for bond investments, replacing it with Bank of New York.

The book value of the North Carolina Retirement System rose to $6 billion from $5.2 billion in 1981, an increase of 15%.

The fund is managed internally, but hires money management firms to act as equity advisers. Those firms are Alliance Capital Management Corp., First-Citizens Bank & Trust Co., First Union National Bank of North Carolina, North Carolina National Bank, Wachovia Bank & Trust Co. and Thorndike, Doran, Paine & Lewis.

Duff & Phelps Inc. provides credit analysis for bond investments.

The asset mix as of Sept. 30 was 17.3% in stocks, 80.5% in fixed-income instruments (including bonds, Ginnie Maes and FHA project notes), and 2.2% in cash equivalents.

First Union National Bank is master trustee for equities.

Mr. Chappell oversees investment management of the funds.

O

Ohio Police and Firemen's Disability and Pension Fund

	($ millions)
Total assets	1,228
Pension	1,228
Profit-sharing	na
Thrift or savings	na
Employer contributions	93
Benefit payments	101

COLUMBUS—Pension assets for the Ohio Police and Firemen's Disability and Pension Fund have increased 16.4% from 1981, and stood at $1.2 billion as of Sept. 30.

All of the system's fixed-income and short-term assets are run in-house and the stock management is delegated to outside money managers.

Value Line Asset Management and Travelers Investment Management Co. are the managers.

As of Sept. 30, 1982, the asset mix of the pension plan was 14% stocks, 67% bonds and 19% cash equivalents.

Key personnel of the fund are Richard Thompson, investment manager, and Theodore Hall, assistant investment manager.

Ohio Public Employees Retirement System

	($ millions)
Total assets	6,291
Pension	6,291
Profit-sharing	na
Thrift or savings	na
Employer contributions	480
Benefit payments	450

COLUMBUS, OH.—With a 60% commitment to bonds, the Ohio employees' retirement assets increased 40% to $6.3 billion as of Sept. 30, 1982, from $4.5 billion a year earlier.

Also, Ohio's second largest fund holds 20% in cash equivalents, 16% in stocks and 4% in mortgages. A small portion (1%) is in venture capital. The fund manages its assets internally, advised by Value Line Asset Management.

Robert A. McLaughlin is investment officer, assisted by Greg Bauer and Dwight Churchill.

Ohio School Employees Retirement System

	($ millions)
Total assets	1,172
Pension	1,172
Profit-sharing	na
Thrift or savings	na
Employer contributions	144
Benefit payments	124

COLUMBUS, OH.—The School Employees Retirement System of Ohio increased its total benefit assets by 56%, to more than $1.1 billion, up from 1981's total of $748 million.

The assets are invested 21.7% in stock, 35.1% in bonds, 12.1% in cash equivalents, 7.9% in real estate equity and 23.2% in mortgages.

Venture capital is used as an alternative investment.

As of Sept. 30, 1982, $898.2 million of the fund was managed in-house, with 8% of that in equities, 76% in fixed-income vehicles and 16% in short-term investments.

The fund's sole investment manager, on a non-discretionary basis, is Bankers Trust Co.

R. Jack Cooper, investment officer, oversees the management of the fund.

Ohio Teachers Retirement System

	($ millions)
Total assets	6,176
Pension	6,176
Profit-sharing	na
Thrift or savings	na
Employer contributions	400
Benefit payments	435

COLUMBUS—In 1982, the Ohio Teachers Retirement System began a pilot program using bond futures as a hedging device for a portion of its pension assets. Total assets, which are all pension assets, increased 23% during 1982, and stood at $6.2 billion as of Sept. 30.

All of the assets are managed internally.

The fund's asset mix as of Sept. 30 was 24.7% stock, 31.2% bonds, 14.6% cash equivalents, 13.1% real estate equity and venture capital and 16.4% mortgages.

Stephen Mitchell, director of investments, Robert Leggett, portfo-

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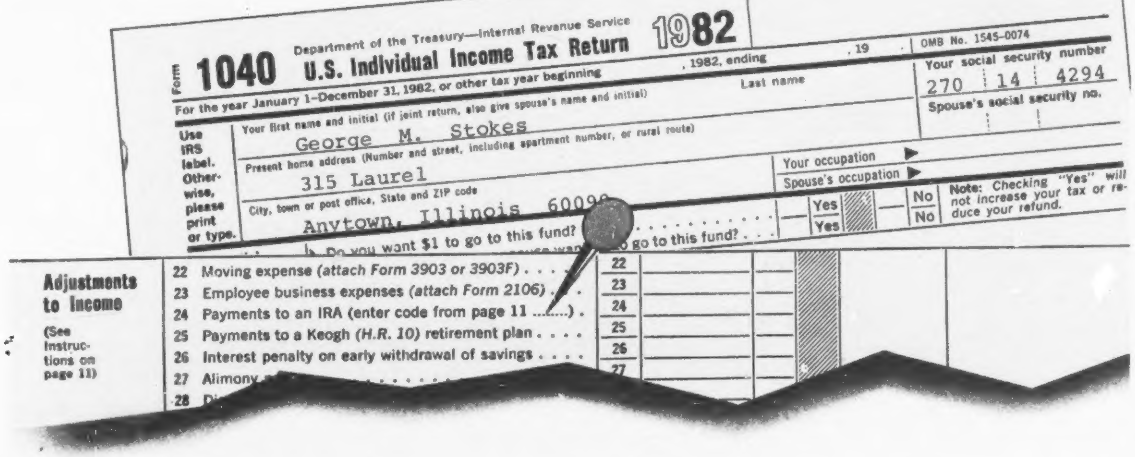
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Adjustments to Income (See Instructions on page 11)
22 Moving expense (attach Form 3903 or 3903F) 22
23 Employee business expenses (attach Form 2106) 23
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lio manager-equities, Stephen Bossu, portfolio manager-fixed income and Susan Shumaker, manager-mortgages and real estate, are responsible for investing the retirement assets.

Oklahoma Teachers Retirement System

	($ millions)
Total assets	716*
Pension	716
Profit-sharing	na
Thrift or savings	na
Employer contributions	180*
Benefit payments	89*

*as of Oct. 31, 1982

OKLAHOMA CITY—In April 1982, the Oklahoma Teachers Retirement System put $25 million into mortgage pass-through certificates, which are targeted to finance housing in Oklahoma.

The teachers system's employee benefit assets, as of Oct. 31, 1982, were approximately $716 million, an 11% rise from 1981's total of $645 million.

The full amount is pension assets managed in-house under the investment advice of the First National Bank and Trust Co. of Oklahoma City. First National is also the master trustee.

The asset mix is 80% bonds and 20% stocks.

Bill Ware is executive secretary, Tommy C. Beavers, treasurer and Jo D. Witt, investment officer.

Operating Engineers, International Union of

	($ millions)
Total assets	752
Pension	752
Profit-sharing	na
Thrift or savings	na
Employer contributions	94
Benefit payments	37

WASHINGTON—The International Union of Operating Engineers and Participating Employers' Central Pension Fund has decided to commit 10% of its $752 million in employee benefit assets into direct real estate investment. About $75 million of the fund will be committed during the next year, in addition to the $7 million already in that area.

Aldrich, Eastman & Waltch Inc. has been named as the fund's real estate manager.

Also, the fund will invest $30 million in the FHA/VA tandem program, when it becomes available again.

Total plan assets rose 29%, to $752 million as of Sept. 30, from $584 million 12 months earlier.

The Operating Engineers' fund also has $56.3 million in an immunized bond account with the Mellon Bank, invested in 1981.

The fund also has 24%, or $176.7 million, in GICs, and $108 million in indexed assets.

The asset mix, as of Sept. 30, was 28% stocks, 20% bonds, 17% cash equivalents and 11% mortgages.

Equity managers are American National Bank, Century Capital Associates, and Forstmann-Leff Associates.

Lehman Management Co. and Mellon Bank are bond managers.

Ennis, Knupp & Gold Inc. is the fund's investment management consultant. State Street Bank and Trust Co. is the master trustee.

Jack E. Johnson is the director of finance.

Oregon Public Employees Retirement System

	($ millions)
Total assets	3,400
Pension	3,400
Profit-sharing	na
Thrift or savings	na
Employer contributions	51
Benefit payments	135

SALEM, OR.—In 1982, the Oregon Public Employees' Retirement System added two new equity managers—General American Investors Co., New York, and Hotchkis & Wiley, Los Angeles—to run a portion of the system's $3.4 billion in assets.

Initially, each of the two new managers received $5 million each but this amount was to be increased.

Total pension plan assets for the Oregon Public Employees' increased 47.8% from 1981's figure of $2.3 billion.

Of 1982's $3.4 billion in total assets, $2 billion in fixed-income assets are managed internally .

Eleven outside managers help run equity assets: In addition to General American Investors and Hotchkis & Wiley, the system uses BEA Associates, Columbia Management Co., Portland, Rosenberg Capital Management, Fayez Sarofim & Co., Batterymarch Financial Management, Harris Associates, Chicago, Quest Advisory Corp., New York, and William D. Witter Inc., New York.

Real estate investments are managed by Alex Brown Realty Co.

Other alternative investments for the pension system consist of a $21 million international equity portfolio.

As of Sept. 30, 1982, the fund's portfolio mix was 41% stocks, 41% bonds, 1% cash equivalents, 2% real estate equity and 15% mortgages.

Key personnel responsible for the management of the fund assets are James George, investment manager, William Unverzgat, investment officer, and Jim Yasutome, investment officer.

Owens-Illinois

	($ millions)
Total assets	1,006
Pension	913
Profit-sharing	na
Thrift or savings	93
Employer contributions	82
Benefit payments	61

TOLEDO, OH.—Total employee benefit assets for Owens-Illinois increased 11% to about $1 billion, as of Sept. 30, 1982, from $894 million the previous year.

The pension asset mix is 61.5% stocks, 16.5% bonds, 4.7% cash equivalents, 8.2% real estate equity, 4.8% mortgages and 4.3% foreign securities.

About $28 million is managed internally, of which $20 million is in equities and $8 million is in short term.

Assets invested in foreign markets totaled $39 million, with $33 million in equity markets and $6 million in fixed income.

Alternative investments are venture capital and oil and gas.

In 1982, the company started both a 401(k) plan and corporate individual retirement account program.

Equity managers are Dean Witter Intercapital, Jennison Associates, Lazard Freres & Co. and Wright Investors. Bond investments are handled by Lazard Freres, Harris Trust & Savings, Boston Co. Institutional Investors and Toledo Trust.

Real estate advisers are Aldrich Eastman & Waltch, American Agricultural Investors, Rosenberg Real Estate, Boston Co. Energy Advisors and Boston Co. Real Estate Counsel.

Wachovia Bank & Trust is the master trustee.

Key personnel are Jerome Bohland, senior vp-finance, G. Walton Cottrell, treasurer and Ronald Boller, director-portfolio.

P&I Age's **profiles of the top 200 funds is a yearly feature. Upcoming profile issues include the top investment managers (April 4); international investment advisers (May 30) and realty advisers (Sept. 5).**

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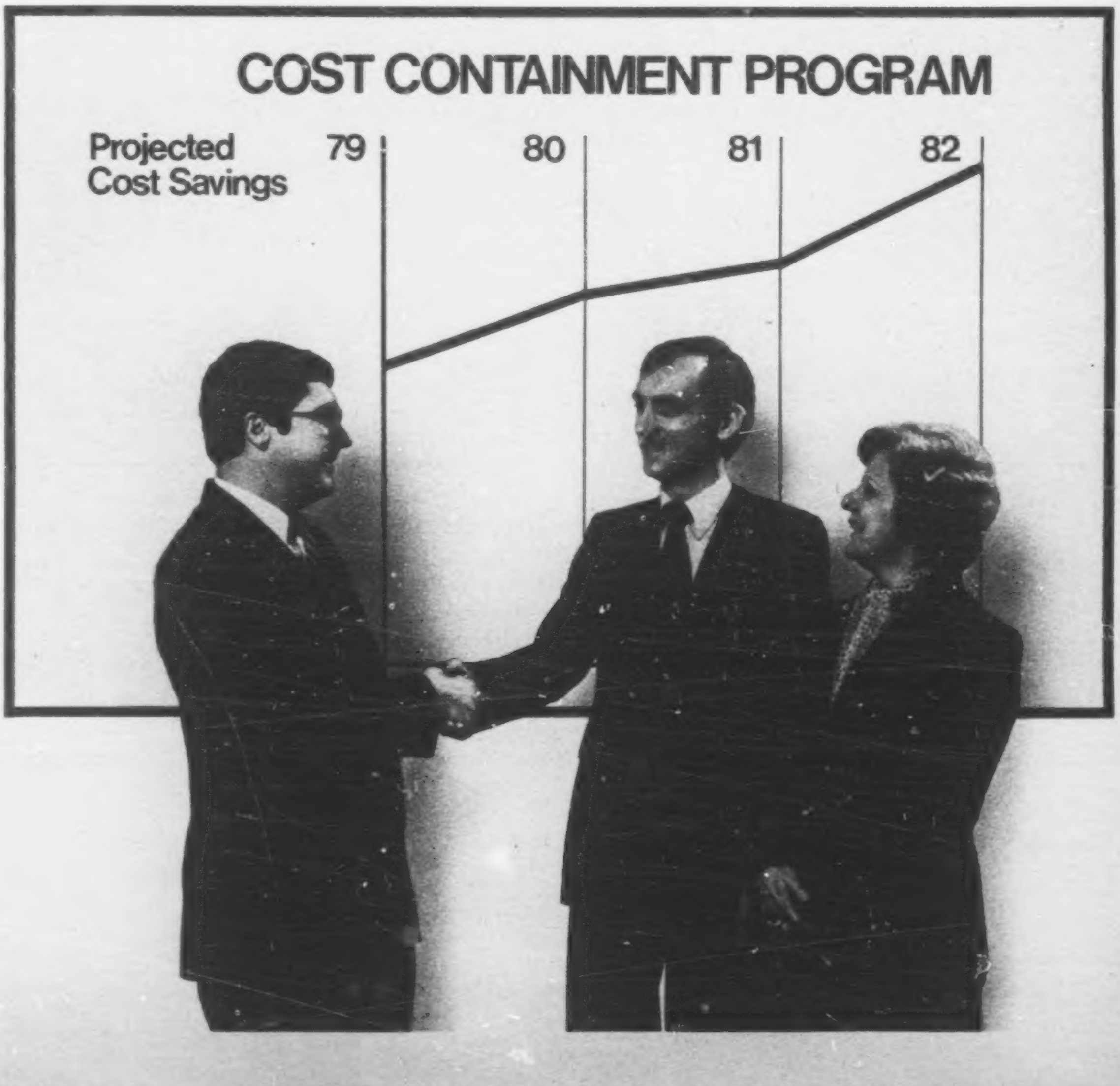

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Pacific Gas & Electric Co.

	($ millions)
Total assets	1,500
Pension	1,200
Profit-sharing	na
Thrift or savings	300
Employer contributions	84
Benefit payments	45

SAN FRANCISCO—Pacific Gas and Electric Co. hired Cashman, Farrell & Associates; Barrow, Hanley Mewhinney and Strauss; and McCowan Associates in August 1982 as equity managers. Earlier in the year, PG&E invested in Corporate Property Investors, a private, New York-based REIT.

As of Sept. 30, 1982, the company's employee benefit assets rose to $1.5 billion, a 15% jump from 1981's figure of $1.3 billion.

The asset mix is 60% stocks and 40% bonds.

Investment in GICs totals $2.4 million; $1.2 million is in foreign equities.

Equity managers in addition to the three hired in August are IDS Advisory, Miller, Anderson & Sherrerd, T. Rowe Price, Prudential, Dodge & Cox, Eberstadt Asset and Endowment Management. Bonds managers are Fischer, Francis, Trees & Watts, T. Rowe Price, Prudential and Metropolitan. Handling real estate are Corporate Property Investors and Prudential. PG&E holds GICs with New York Life.

State Street Bank is the master trustee.

G.R. Smith is treasurer.

Pan American World Airways Inc.

	($ millions)
Total assets	1,148
Pension	1,148
Profit-sharing	na
Thrift or savings	na
Employer contributions	45
Benefit payments	103

NEW YORK—Pan American World Airways set up an employee stock ownership plan in 1982 in exchange for wage cuts and wage freezes. Its roughly 30,000 employees now own 13.1% of the airline's stock.

The pension fund's equity assets are managed by Rosenberg Capital Management, Citi-Investments, Batterymarch Financial Management, Delaware Investment Advisors, John Hancock, Fayez Sarofim, Putnam Advisory Co., Trust Co. of the West, Morgan Guaranty Trust Co. and Reich & Tang.

Its bond managers are Mellon Bank, Rosenberg Capital Management, Citi-Investments, Trust Co. of the West, Bankers Trust, Morgan Guaranty Trust Co. and Putnam Advisory Co.

Citi-Investments manages the fund's real estate investments.

The fund holds a $147 million dedicated bond portfolio. It also has $5 million invested abroad, all of it in equities.

As of Sept. 30, 1982, the approximate asset mix of the pension holdings was 36% stocks, 49% bonds and 15% cash equivalents. The pension fund has less than 1% in real estate.

The master trustee is Banker's Trust Co.

Harold Friesen is the assistant treasurer, Carl Stillwell is director-pensions and group insurance and Charles Dunn is the manager-pensions/group insurance.

J.C. Penney Co.

	($ millions)
Total assets	1,204
Pension	475
Profit-sharing	654
Thrift or savings	75
Employer contributions	90
Benefit payments	8.5

NEW YORK—J.C. Penney showed a hefty 37% increase in its total asset holdings to $1.2 billion, up from $878 million in 1981.

State Street Bank & Trust Co. was named in 1982 as the manager of an index fund for the Savings & Profit Sharing Plan. State Street is also the new master trustee. Metropolitan Life Insurance Co. holds the guaranteed investment contracts for the Savings & Profit Sharing Plan.

Equity managers for pension 'assets are Rosenberg Capital Management, Batterymarch Financial Management, Torray and Clark, Tallasi Management Co. and Miller, Anderson & Sherrerd. J.C. Penney also invests in the Rosenberg Real Estate Equity Funds.

Rosenberg Capital Management is the fixed-income manager.

The firm began managing some fixed-income investments in-house in 1982; Penney manages $25 million in pension assets internally—half in fixed-income and half in short-term investments.

At the end of September 1982, 65% of the pension assets was in equities, 10% was in bonds, 15% was in cash equivalents and 10% was in equity real estate.

Of the profit-sharing assets, 85% was in J.C. Penney stock, 2% was in the index fund and 13% was in GICs.

The company started a 401(k) plan in 1982. Frank Russell Co. is the investment consultant.

Paul F. Hubbard is vp and treasurer. Victor Bucchere is benefit plans investment manager.

Pennsylvania School Employees Retirement System

	($ millions)
Total assets	4,230*
Pension	4,230
Profit-sharing	na
Thrift or savings	na
Employer contributions	535
Benefit payments	555

*as of June 30, 1982 *

HARRISBURG, PA.—The Pennsylvania school employees fund named seven new investment managers in 1982 to handle $1.3 billion.

The new equity managers are Oppenheimer Capital Corp., New York, State Street Research & Management Co., Boston, Provident Capital Management, Philadelphia, and MacKay-Shields Financial Corp., New York. New fixed-income managers are Pittsburgh National Bank, Loomis, Sayles & Co. Inc., Boston, and Manufacturer's Hanover Trust Co.

The diversification move involved paring $600 million from the $2.8 billion under management by Mellon Bank and taking the rest from cash flow and short-term investments. Mellon continues to run fixed-income and equity.

As of June 30, 1982, the fund had total assets of $4.2 billion, an increase of about 11% over the previous year's estimated total of $3.8 billion.

The asset mix as of June 30 was 16.7% stocks, 51.1% bonds, 16.4% cash equivalents, 15.2% mortgages and 0.6% equity real estate handled by Fidelity Bank.

M. Andrew Sheffler, executive director, and the finance committee oversee the fund.

Pennsylvania State Employees Retirement System

	($ millions)
Total assets	3,008
Pension	3,008
Profit-sharing	na
Thrift or savings	na
Employer contributions	334
Benefit payments	356

HARRISBURG, PA.—In 1982,

THE PROBLEM:

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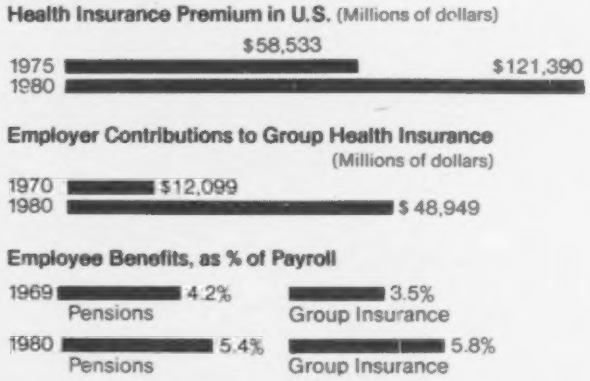

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- analysis of plan funding methods
- comparative surveys of benefits levels
- analysis of legislation on plan design and future costs
- employee communications (booklets statements, payment transmittals)
- review of administration systems
- negotiations with insurers on plan renewal, pricing and service.

For further information call or write to Tom Snedeker, Vice President, Director of Group Benefits Practice, Woodward Ryan Sharp and Davis, 3 Park Avenue, New York, N.Y. 10016 (212) 689-4100 TELEX: 425561

WOODWARD RYAN SHARP and DAVIS
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the Pennsylvania State Employees Retirement System named its first chief investment officer, Ed Warwick, formerly manager of benefits for the Sun Co.

In July, the Pennsylvania fund committed $300 million to an index fund run by Wells Fargo Investment Advisers.

At the same time, the fund's real estate commitment was increased substantially.

Aetna Life & Casualty was awarded $20 million for its closed-end real estate equity account, and also given $20 million for its open-end participating mortgage account.

Another $20 million was committed to Coldwell Banker's institutional fund #7.

Four other real estate managers were named, but not funded by Sept. 30.

Chosen for real estate were Corporate Property Investors, Equitable Life, Prudential Insurance Co., and John Hancock Mutual Life Insurance Co.

Mellon Bank and Alliance Capital Management manage both equity and bond portfolios for the fund.

The fund also uses the Philadelphia Saving Fund Society for real estate investment, and Miller, Anderson & Sherrerd for mortgage-backed securities investment.

The Pennsylvania state pension fund grew by 18% during the 12 months ending Sept. 30, 1982, and stood at $3 billion.

The asset mix at the end of September was 36.2% stocks, 39.3% bonds, 11.6% cash equivalents, 4.6% real estate equity and 8.3% mortgages.

Key personnel are Mr. Warwick and Robert L. Cusma, secretary.

Philadelphia Municipal Pension Fund

	($ millions)
Total assets	622
Pension	622
Profit-sharing	na
Thrift or savings	na
Employer contributions	136
Benefit payments	128

PHILADELPHIA—The Philadelphia Municipal Pension Fund was ordered by the City Council to divest itself of all securities owned in U.S. companies that do business in South Africa.

The order came as the result of a new city law, which also loosened up restrictions on stock investments.

The Philadelphia fund has a minimum of two years to carry out the divestment.

In September 1982, Philadelphia's fund hired Batterymarch Financial Management, Putnam Advisory, Delaware Investment Advisers and Miller, Anderson & Sherrerd as equity managers.

Bond management is handled internally by the fund.

A total of $582 million is managed internally, 81% in fixed income and the remainder in cash equivalents.

Also, the Philadelphia fund was given the go-ahead to set up a dedicated bond portfolio in late August. That move is still on hold.

As of Sept. 30, 1982, total employee benefit assets for the Philadelphia Municipal Pension Fund increased to $622 million, a 37% boost from 1981's total of $453 million.

The pension asset mix is 7% stocks, 75% bonds and 18% cash equivalents.

Master trustee is Girard Bank.

Gay P. Gervin is deputy director of finance and acting city treasurer.

Philip Morris Inc.

	($ millions)
Total assets	593
Pension	405
Profit-sharing	188
Thrift or savings	na
Employer contributions	88
Benefit payments	12

NEW YORK—In 1982, Philip Morris hired State Street Bank & Trust to replace Chemical Bank as its master trustee.

Philip Morris established an index fund with $33 million in assets, and a $50 million dedicated bond fund for its pension fund.

Equity managers for Philip Morris are Fayez Sarofim & Co., State Street Research & Management Co., BEA Associates, Glickenhaus & Co., Bankers Trust Co. and Chemical Bank.

Bond managers for the funds are State Street Bank & Trust and Bankers Trust.

Real estate managers are Prudential Insurance Co. and JMB Institutional Realty.

Philip Morris has $90.3 million invested in GICs.

On the alternative investment front, the fund continues to have an international equity portfolio, totaling $6.2 million in assets. This portfolio is run by Morgan Guaranty Trust.

The portfolio mix for the pension assets is 42.2% stocks, 45.1% bonds, 9% cash equivalents and 3.7% real estate equity.

H. Millington, deputy treasurer, Eric Dalrymple, assistant treasurer and Joseph Damman, director-financial services, are responsible for overseeing the management of the employee benefit funds.

Phillips Petroleum Co.

	($ millions)
Total assets	1,599
Pension	1,147
Profit-sharing	na
Thrift or savings	452
Employer contributions	106
Benefit payments	33

BARTLESVILLE, OK.—Phillips Petroleum Co. terminated Harris Trust as a bond manager in 1982 and hired Fidelity Bank in the same capacity.

As of Sept. 30, total assets stood at $1.6 billion.

About $129 million of the assets is indexed and $118 million is in GICs. Another $25 million is in foreign markets.

The asset mix of the pension fund is 61.4% stocks, 33.4% bonds, 3.9% equity real estate and 1.3% mortgages.

Equity managers are Barrow, Hanley, Mewhinney & Strauss, Citibank, Morgan Guaranty, Capital Guardian, T. Rowe Price, MacKay-Shields and Wells Fargo. Bond managers are Fidelity, MacKay-Shields, Equitable, Travelers, Aetna and Metropolitan.

Phillips added Aetna as a real estate manager during the year. Other real estate managers are Victor Palmieri Co. and Morgan Guaranty. First National Bank in Bartlesville is trustee for the thrift plan and Citibank is the master trustee.

Key investment personnel are R.E. Bonnell, treasurer, C.B. Friley, assistant treasurer and G.R. Barnett, director-pension investments.

PPG Industries Inc.

	($ millions)
Total assets	746
Pension	531
Profit-sharing	8
Thrift or savings	207
Employer contributions	60
Benefit payments	44

PITTSBURGH—PPG Industries reported a $14 million savings in pension contributions from a dedicated bond portfolio established late in 1981 and managed by The Boston Co. and Brown Brothers Harriman. About $200 million is dedicated.

As of Sept. 30, total assets stood at $746 million.

The assets mix is 60% stocks, 39% bonds and 11% cash.

PPG's bond and annuity managers, in addition to the two named, are Prudential and Equitable. Both insurance firms also manage equi-

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Other equity managers are BEA Associates, Lipper Analytical Services, Lowry Raclin Harrell & Howerdd, Neuberger & Berman, and Smith Barney Harris Upham Capital Management Inc. PPG's fund employs no alternative or international investments.

Mellon Bank is master trustee.

R.W. Leboeuf is treasurer and Dennis Chipman is director-pension investment administration.

Procter & Gamble Co.

	($ millions)
Total assets	1,377*
Pension	1,377
Profit-sharing	na
Thrift or savings	na
Employer contributions	136
Benefit payments	56

*estimate

CINCINNATI—Procter & Gamble's employee benefit assets increased an estimated 28% during 1982, and stood at $1.37 billion as of Sept. 30, 1982.

As of June 30, 1981, 83% of the assets were invested in company stock, 16% in insurance contracts and 1% in bonds. Total assets were $1.1 billion at the time. The fund is managed in-house.

Key investment personnel are E.H. Eaton, treasurer, R.R. Bidwell, assistant treasurer and J.R. Lawhead, assistant treasurer.

Prudential Insurance Co.

	($ millions)
Total assets	1,982*
Pension	1,982
Profit-sharing	na
Thrift or savings	na
Employer contributions	100
Benefit payments	100

*period ending Dec. 31, 1981

NEWARK, N.J.—All of the Prudential Insurance Co.'s pension assets are managed internally.

As of Dec. 31, 1981, the latest period for which Prudential could supply figures, the pension assets totaled $1.982 billion and the asset mix was 49% stocks, 23% fixed income, 8% cash equivalents and 20% real estate equity.

Prudential offers its employees a corporate individual retirement account program.

The names of the key executives overseeing the fund investments were not disclosed.

R

Raytheon Co.

	($ millions)
Total assets	750
Pension	730
Profit-sharing	10
Thrift or savings	10
Employer contributions	90
Benefit payments	25

LEXINGTON, MA.—Raytheon tapped Bankers Trust Co., New York, in May to run an S&P index fund portfolio that previously had been handled by Batterymarch.

Raytheon Co.'s employee benefit assets were $750 million as of Sept. 30, 1982.

The asset mix is 60% stocks, 30% bonds, 5% cash equivalents and 5% real estate equity.

Investment in GICs totals $25 million. Raytheon has $75 million indexed, and $100 million is in dedicated bond portfolios.

The asset mix of the profit-sharing plan is 80% bonds and 20% other stock.

In 1982, the company began a corporate individual retirement account program.

Equity investment managers are First National Bank of Boston, State Street Research, Batterymarch Financial Management, Bankers Trust and Morgan Guaranty.

Managers for subsidiary funds are Massachusetts Finance, Provident Capital, Fourth National Bank of Wichita, Merchants National of Cedar Rapids and Wall, Patterson, McGrew.

Dan Waters is assistant treasurer and W. Bruce Livingston is manager of employee benefits financing.

RCA Corp.

	($ millions)
Total assets	1,700
Pension	1,500
Profit-sharing	na
Thrift or savings	200
Employer contributions	180
Benefit payments	170

NEW YORK—RCA Corp.'s employee benefit assets totaled $1.7 billion in 1982, almost unchanged from 1981's $1.67 billion.

In 1982, the company started a 401(k) savings plan and a corporate individual retirement account program.

The pension fund had $130 million invested in indexed assets and $340 million in GICs. As of Sept. 30, 1982, $17 million was invested in foreign equities.

The asset mix as of Sept. 30 was 45% stocks, 17% bonds, 10% cash equivalents, 8% real estate equity, 12% GICs and 8% other insurance contracts.

RCA's income savings plan was 8% invested in company stock, 10% in other stock and 82% in GICs.

Equity managers for the pension fund as of Sept. 30 were Batterymarch Financial Management, Chase Manhattan Bank, Eberstadt Asset Management, Endowment Management Research, Morgan Guaranty Trust Co., T. Rowe Price Associates, Fayez Sarofim & Co., State Street Research & Management Co. and Bankers Trust Co.

RCA's foreign equities were run by Fidelity International Investment Management, N.M. Rothschild International Asset Management, in separate accounts, and by Morgan Guaranty in commingled accounts.

Bond managers as of Sept. 30 were Scudder, Stevens & Clark and State Street Research & Management.

The five real estate managers were Citi-Investments, Equitable Life, John Hancock Mutual Life, Morgan Guaranty, and Prudential Insurance.

The GICs were held with Equitable, Aetna Life & Casualty and Travelers Insurance.

Assets in the income savings plan were invested by N.M. Rothschild International for equities and Equitable Life for GICs.

John Rolls is RCA's vp and treasurer; Robert D. Isinger is staff vp-RCA retirement funds and insurance administration.

Republic Steel Corp.

	($ millions)
Total assets	1,045
Pension	900
Profit-sharing	na
Thrift or savings	145
Employer contributions	na
Benefit payments	na

CLEVELAND—In June 1982, Republic Steel transformed its in-house investment management division into a subsidiary of its Republic Steel Services Group. The new firm, Western Reserve Capital Management, manages the assets of Republic's pension funds and also handles outside accounts.

Throughout 1982, Republic Steel added managers to increase its involvement in venture capital.

Republic Steel's employee benefit assets increased as of Sept. 30, 1982, to about $1 billion, a 10% gain from 1981's total of $945 million.

The pension asset mix is 52% stocks, 25% bonds, 20% cash equivalents and 3% venture capital and real estate.

In-house managed assets totaled

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$630 million, with $300 million in equities, $185 million in fixed income, and $145 million in short term.

Batterymarch, Delaware Investment Advisers, Lord Abbett, Western Reserve Capital Management, and Scudder, Stevens & Clark manage equities. Western Reserve Capital and John Hancock Mutual Life handle bonds.

Real estate advisers are Coldwell Banker and Smith Barney Real Estate Fund. Venture Capital investments are managed by H&Q Ventures. DSV Partners, Brentwood Associates, Advanced Technology Associates and Warburg Pincus Capital Corp.

Chase Manhattan Bank is master trustee.

Overseeing the investment of the fund are Dennis Hamilton, director of investments, Republic Steel, and president of Western Reserve Capital Management and James Shirak and David Handke Jr., vps of Western Reserve Capital.

Reynolds Metals Co.

	($ millions)
Total assets	727
Pension	678
Profit-sharing	na
Thrift or savings	49
Employer contributions	na
Benefit payments	na

RICHMOND, VA.—Joining other companies in the cash-dry metals industry, Reynolds Metals contributed a new issue of 600,000 convertible preferred stock shares to its pension fund in September 1982 in lieu of cash. The stock was valued at $50 a share, for a total contribution of $30 million.

Earlier in the year, Reynolds moved into the international arena, designating Aetna-Warburg Investment Management, London, and Fidelity International, Boston, as overseas investment managers. The fund as of Sept. 30 has $24 million invested internationally, with $15 million in foreign equities and $9 million in foreign fixed income.

Reynolds Metals, as of Sept. 30, 1982, had total employee benefit assets of $727 million, up 13% from $641 million in 1981.

The pension asset mix is 52% stocks, 26% bonds, 17% cash equivalents and 5% real estate equity.

The fund's investment in GICs totaled $14 million.

Equity managers are Capital Guardian, Century Capital and General American Investors. Chase Investors, Wilmington Capital and Thompson, Siegel & Walmsley are balanced managers. Hoisington Investment Management handles bonds. Real estate advisers are Aetna Life, Equitable Life and John Hancock. Other managers are Metropolitan Life and Travelers.

Chase Manhattan Bank is master trustee.

Richard C. Turochy is manager-pension finance.

R.J. Reynolds Industries

	($ millions)
Total assets	983
Pension	813
Profit-sharing	na
Thrift or savings	170
Employer contributions	101
Benefit payments	36

WINSTON-SALEM, N.C.—The employee benefit assets for R.J. Reynolds Industries increased almost 25%, as of Sept. 30, 1982, to $982.9 million from last year's total of $788 million.

The pension asset mix is 59% stocks, 35% bonds, 1% venture capital and 5% real estate equity.

Equity investment managers are Batterymarch, Capital Guardian, Delaware, EMW Counsellors, Forstmann-Leff, John Hancock, Reich & Tang, Fayez Sarofim, Eberstadt Asset, and Wilkens & Nanovic Associates. Bonds are handled by Morgan Guaranty, Pacific Investment and Scudder, Stevens & Clark. Wachovia Bank is real estate adviser. Short-term investments of one year or less are managed by Wachovia.

J.F. Abley is vice-chairman of the board; John Dowdle is vp and treasurer; Gene Hoots is director.

Rockwell International

	($ millions)
Total assets	3,500*
Pension	3,500
Profit-sharing	na
Thrift or savings	na
Employer contributions	258
Benefit payments	na

*estimate

PITTSBURGH, PA.—Rockwell International's total employee benefit plan assets grew to an estimated $3.5 billion as of Sept. 30. This is up from $2.7 billion at the end of 1981 reported in the company's annual report.

The defense contractor refused to provide updated information on its pension-fund investment managers. A list of its managers was gleaned from a variety of sources: Beutel, Goodman & Co., Brown

Fund investments in mortgages

Fund	Assets ($ millions)
California Employees	2,985
California State Teachers	1,707
New York State Teachers'	1,296
Michigan State Employees	1,286
Ohio Teachers Retirement	1,012
Alabama Retirement System	971
General Electric Co.	960
New Jersey Division	922
Washington State Board	818
Massachusetts	699
IBEW	666
Pennsylvania School	642
Hawaii Employees'	578
Oregon Public Employees	510
Maryland State	410
Teamsters, Central States	372
Alaska State	371
Minnesota State	286
Ohio School Employees	271
Ohio Public Employees	251
Pennsylvania Employees	249
Detroit Retirement	238
Los Angeles County	238
Texas Teachers	226
Union Oil Co.	214
Arizona State	185
Wisconsin Board	185
Missouri Public School	176
New York City	159
Nevada Public Employees	124
West Virginia Employees	123
Kentucky System	121
Kentucky Teachers'	109
Connecticut Systems	100
Boeing Co.	92
Operating Engineers	82
Montana Board	80
Textron Inc.	78
Westinghouse Electric	76
Southern Baptist	75
Ford Motor Co.	60
Travelers Corp.	58
L.A. Water and Power	52
Sandia Laboratories	47
Owens-Illinois	43
Hughes Aircraft Co.	43
Arkansas Teacher	39
Garment Workers	27
Kansas Public Employees	27
Louisiana State Employees	27
Aluminum Co.	23
Tennessee Consolidated	22
Manville Corp.	22
Standard Oil of Ca.	20
John Hancock	18
Consolidated Edison	18
Bakery and Confectionary	16
Monsanto Co.	15
Phillips Petroleum Co.	14
Utah State Retirement	13
MEBA	13
FMC Corp.	12
Episcopal Ministers'	12
Aetna Life and Casualty	8
Grumman Corp.	7
Baltimore Retirement	6
TOTAL	20,835

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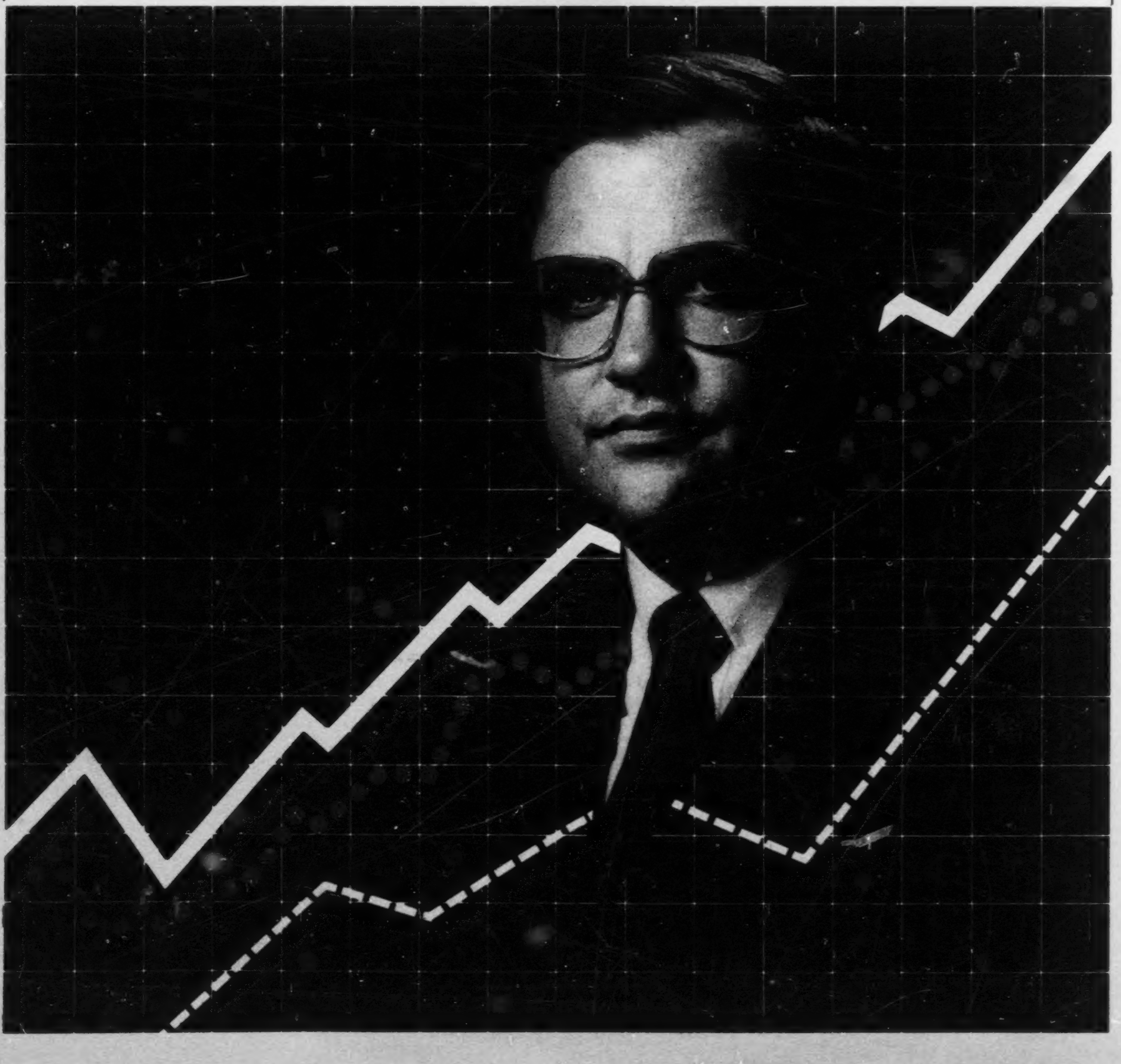

Brothers Harriman, Capital Guardian Trust, Cashman, Farrell and Associates, CG Investment Management, Chase Investors Management, The Chase Manhattan Bank, Connecticut General, First Pacific Advisors, Gregg, McKay, Knight & McKay, Hathaway Associates, Hotchkis and Wiley, InterFirst Bank Dallas, InterFirst Investment Management, Mellon Bank, Metropolitan Life, Morgan Guaranty Trust, Putnam Advisory, Fayez Sarofim, Scudder, Stevens & Clark, Seattle-First National Bank, Security Pacific Investment, Security-Peoples Trust, Stralem & Co., Torray Clark & Co., Transamerica Investment, Travelers, Waite & Correnti, Wertheim Asset Management, Western Asset Management.

E.W. Alstaetter is staff vp-pension, insurance and risk management; Edwin C. McManus is staff vp-employee benefit programs.

S

Sandia National Laboratories

	($ millions)
Total assets	594
Pension	594
Profit-sharing	na
Thrift or savings	na
Employer contributions	16
Benefit payments	13

ALBUQUERQUE—Total employee benefit assets of Sandia National Laboratories increased 12%, as of Sept. 30, 1982, to $594 million from 1981's total of $528 million.

The pension asset mix is 52% stocks, 17% bonds, 8% cash equivalents, 11% real estate equity, 8% mortgages and 4% other investments.

Equity managers are Delaware Investment, Eberstadt Asset and Pioneering Management. Putnam Advisory is a balanced manager. Handling real estate are Equitable Life and Prudential Insurance.

Bradford Trust Company is the master trustee.

A. Narath is executive vp, H.G. Pierce is manager benefits department, and M.L. Coon is supervisor of benefit planning and pension fund management.

San Francisco City & County Employees' Retirement System

	($ millions)
Total assets	1,229
Pension	1,229
Profit-sharing	na
Thrift or savings	na
Employer contributions	169
Benefit payments	124

SAN FRANCISCO—In May of 1982, the San Francisco City and County fund hired three new equity managers—Crocker Investment Management, Eaton & Howard, Vance Sanders, and Loomis, Sayles & Co.—to handle about $134 million each. In 1981 all investments had been handled in-house.

The employee benefit assets for the San Francisco City & County Employees' Retirement System jumped 22%, as of Sept. 30, 1982, to approximately $1.2 billion, up from 1981's total of $981 million.

The asset mix is 63% bonds (including 7% in private placements, some with real estate mortgage character), 21% stocks, 11% cash equivalents and 5% real estate equity.

In-house managed assets total $757 million with $665 million in fixed-income and $92 million in short-term accounts.

Besides the added managers Coldwell Banker handles about $70 million for the fund in real estate equity investments. All bonds are handled in-house.

Crocker Bank is the master trustee.

Jack E. Stoufer is chief investment officer and Arnold K. Mattay assistant chief of investments.

Sears, Roebuck & Co.

	($ millions)
Total assets	3,056*
Pension	978
Profit-sharing	978
Thrift of savings	na
Employer contributions	100
Benefit payments	na

*as of June 30, 1982

CHICAGO—Sears, Roebuck & Co. had $3 billion in employee benefit assets as of June 30, 1982, according to the Money Market Directory.

Contributions to the pension plan were $100 million for the period June 30, 1981, through June 30, 1982, and there were no contributions to the savings and profit-sharing plan for that time period.

All of the assets are managed by Sears Investment Management Co. The investment mix of the total assets is 37% bonds, 30% real estate equity, and cash and short term 33% as of June 30, 1982.

Custodian for the savings and profit-sharing plan is First National Bank of Chicago, and master trustee for the pension plan is Continental Illinois National Bank and Trust Co.

The executives involved in overseeing the funds' management are David Dootson, president, Paul A. Reese, vp equities, and Michael Norton, vp fixed income.

Shell Oil Co.

	($ millions)
Total assets	3,172
Pension	1,481
Profit-sharing	1,598
Thrift or savings	93
Employer contributions	185
Benefit payments	62

HOUSTON—Shell Oil Co.'s nearly $3.2 billion employee benefit plans hired two options managers last year and terminated one equity manager.

Assets grew by about $281 million to $3.2 billion as of Sept. 30, 1982, compared to a year ago. Of that amount, $550 million is managed internally, with $414 million in fixed income, $106 million in equity and $30 million in short-term.

Shell indexes $141 million and has another $45 million in GICs.

The asset mix is 49.5% stocks, 29.1% bonds, 7% cash equivalents and 14.4% real estate equity. The profit-sharing asset mix is 58.7% company stock, 11% other stock, 18.5% bonds and 11.8% other investments.

Equity managers are Dodge & Cox, Equitable, Fayez Sarofim, Crocker Investment Management, Wells Fargo, Scudder, Stevens & Clark, State Street Research, Kemper, and First City National Bank, in a passive account. Passive bond management is with Texas Commerce Bank. Prudential, Equitable Life, John Hancock, and Aetna handle real estate investments.

R.S. MacIntire is administrator of investment management, J.L. Fort, secretary and manager-fixed income, and K.T. Ng, manager-equities.

Signal Companies Inc.

	($ millions)
Total assets	1,100*
Pension	750
Profit-sharing	350
Thrift or savings	na
Employer contributions	100
Benefit payments	75

*as of August, 1982

LA JOLLA, CA.—Total market value of all Signal Companies' employee benefit assets increased 5.3% from Sept. 30, 1981, to August 1982, where they stood at $1.1 billion.

This year Signal added both a 401(k) and a corporate IRA plan to its menu of employee benefit plans.

Balanced managers for Signal Cos. are Jennison Associates Capital Corp., Alliance Capital Management and Trust Company of the West.

Equity managers are Fayez Saro

Funds with equity real estate investments

Fund	Assets ($ millions)
New York State Common	2,714
Ohio Teachers Retirement	809
Exxon Corp.	584
Teamsters, Western	416
General Motors Corp.	414
Prudential Insurance	398
Sears, Roebuck & Co.	293
Westinghouse Electric	279
Boeing Co.	230
General Electric Co.	221
U.N. Joint Staff	208
Shell Oil Co.	207
New York State Teachers'	199
Eastern Air Lines	180
Bendix Corp.	174
Los Angeles County	170
United Technologies	150
Virginia Supplemental	148
Caterpillar Tractor	140
IBM	139
Pennsylvania Employees	138
Armco Inc.	134
Sun Company Inc.	132
Eastman Kodak Co.	123
United Air Lines Inc.	123
Standard Oil of California	123
Monsanto Co.	120
RCA Corp.	120
Boilermakers, Blacksmiths	118
IBEW	102
Hughes Aircraft Co.	101
National Steel Corp.	100
LTV Corp.	97
Aluminum Co. of America	95
Ohio School Employees	92
Continental Group Inc.	90
Celanese Corp.	84
Utah State Retirement	82
California Employees	81
Conoco Inc.	77
Citibank	75
Owens-Illinois	74
Teamsters, Central States	74
Hercules Inc.	73
GTE Corp.	72
Oregon Public Employees	68
Sandia Laboratories	65
Standard Oil (In.)	64
Georgia State Retirement	64
San Francisco City & Cty.	61
Minnesota State Board	61
Illinois State Board	61
Ford Motor Co.	60
Connecticut Systems	60
Honeywell Inc.	59
Travelers Corp.	58
Alaska State Retirement	58
Southern Baptist	56
MEBA	56
United Mine Workers	53
Inland Steel Co.	52
World Bank Staff	49
John Hancock	48
Texaco Inc.	48
J.C. Penney Co.	47
Phillips Petroleum Co.	44
ITT	44
International Paper Co.	43
Grumman Corp.	42
Union Oil Co.	41
Union Carbide Corp.	41
Aetna Life and Casualty	40
R.J. Reynolds Ind.	40
Machinists and Aerospace	40
Consolidated Edison	36
Raytheon Co.	36
Washington State	35
Reynolds Metals	33
General Foods	31
Dow Chemical Co.	30
Tennessee Valley Authority	29
American Can Co.	29
Standard Oil Co. (Oh.)	28
New York Life Insurance Co.	27
Kansas Employees	27
Republic Steel Corp.	27
Texas Instruments	25
Pennsylvania School	25
Ashland Oil Inc.	24
Deere & Co.	24
Dresser Industries	22
Eli Lilly & Co.	19
Episcopal Ministers'	18
Southern New England Tel.	17
Philip Morris Inc.	14
United Methodist Church	11
Kentucky Teachers'	10
Motorola Inc.	9
CIGNA Corp.	7
Nevada Employees	7
Trans World Airlines	6
The Southern Co.	6
Cities Service Co.	6
Textron Inc.	6
Alabama Retirement System	6
TOTAL	12,752

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fim & Co., Loomis, Sayles & Co., First Pacific Advisors, Capital Guardian Trust Co., and CMB Investment Counselors, Beverly Hills.

Bond managers are Transamerica Investment Services and Fidelity Bank.

Signal Cos. use options as a hedging device for a portion of its group trust assets and this portfolio is run by CMB Investment Counselors.

As of August, 1982, the group trust's portfolio mix was 58% stocks, 21% bonds, and 21% cash equivalents.

The portfolio mix for the savings and stock purchase plan was 70% company stock, 20% other stock and 10% bonds.

Chase Manhattan Bank is the master trustee for the group trust and Bank of America is master trustee for the savings and stock purchase plan.

Andrew Chitiea, senior vp and chairman of the investment committee, and W.D. Sanborn, vp, are responsible for overseeing the investment management of the employee benefit assets.

South Carolina Retirement System

	($ millions)
Total assets	2,100
Pension	2,100
Profit-sharing	na
Thrift or savings	na
Employer contributions	na
Benefit payments	na

COLUMBIA, S.C.—Total assets for the South Carolina Retirement Systems' rose to $2.1 billion in 1982, a 33% jump from last year's total of almost $1.6 billion. The South Carolina System is invested totally in bonds, including 7.8% in Ginnie Mae pass-throughs and 12% cash. All assets are managed in-house.

Jamison, Eaton & Wood is the sole bond adviser for the system.

Grady Patterson is treasurer.

Southern Baptist Convention

	($ millions)
Total assets	947
Pension	945
Profit-sharing	na
Thrift or savings	2
Employer contributions	79
Benefit payments	41

DALLAS—The Annuity Board of the Southern Baptist Convention brought nearly $300 million inhouse last year, bringing its total of internally-managed assets to about 70% of the $947 million fund.

Of the $696 million handled inhouse, 3% is in cash and the remainder is in fixed income.

The Southern Baptist plan also increased its GIC exposure, raising it from 29% of assets in 1981 to 37.9% in 1982. The rest of the asset mix is 17.5% stocks, 18.3% bonds, 6.8% cash equivalents, 5.9% real estate equity, 8.3% mortgages, 4.7% private placements and the remainder in miscellaneous.

Equity managers are Morgan Guaranty, Thorndike, Doran, Paine & Lewis, Capital Guardian, and William W. Lowry. The only bond manager, Harris Trust, was terminated.

Key investment personnel are M.T. York Jr., senior vp, and Dave L. Borders, vp.

Southern California Edison Co.

	($ millions)
Total assets	773
Pension	523
Profit-sharing	na
Thrift or savings	250
Employer contributions	47
Benefit payments	38

ROSEMEAD, CA.—Southern California Edison Co. selected Intrawest Bank of Denver and Waite & Correnti as equity managers earlier in the year.

The employee benefit assets for Southern California Edison increased 14%, as of Sept. 30, 1982, to $773 million from 1981's total of $673 million.

The pension asset mix is 61% stocks, 37% bonds, and 2% cash equivalents. The amount invested in GICs totals $40 million.

Batterymarch Financial, Eagle Management & Trust, Wentworth, Hauser & Violich manage stocks. Rosenberg Capital and Pacific Mutual Life are balanced investment managers.

Handling insurance contracts are John Hancock, Metropolitan Life, Mutual Life Insurance of N.Y., and Pacific Mutual Life.

Security Pacific National Bank is the master trustee.

H. Fred Christie is executive vp and chief financial officer. Michael Noel is vp and treasurer. Lynda Boos is manager of pension investments and investor relations.

The Southern Co. System

	($ millions)
Total assets	831
Pension	685
Profit-sharing	na
Thrift or savings	146
Employer contributions	85
Benefit payments	21

ATLANTA—The employee benefit assets for The Southern Co., as of Sept. 30, 1982, increased 39% to $831 million from 1981's total of $599 million.

The pension asset mix is 50% stocks, 42% bonds, 7% cash equivalents and 1% real estate equity.

The employee savings plan assets are invested 79% in company stock, 5% in other stock, and 16% in other investments.

Total investment in GICs is $56 million.

Bankers Trust, Citizens & Southern, First Atlanta, First Birmingham and Trust Co. of Georgia are balanced managers. Handling real estate are Citizens & Southern, First Atlanta and Trust Co. of Georgia.

George B. Campbell is financial vp, and Ormond W. Frazier is assistant treasurer.

Southern New England Telephone Co.

	($ millions)
Total assets	635
Pension	585
Profit-sharing	na
Thrift or savings	50
Employer contributions	66
Benefit payments	29

NEW HAVEN, CT.—During 1982 Southern New England Telephone increased its index fund commitment from $71 million to $109 million.

Southern New England's total employee benefit assets increased 22% to $635 million from $521 million.

Analytic Investment Management continues to run an options program for the fund.

Connecticut National Bank (formerly Hartford National Bank) is the fund's trustee as well as balanced manager.

Equity managers include Capital Guardian Trust, American National Bank & Trust Company of Chicago, Analytic, and Gardner and Preston Moss.

Bond managers are Cigna Investment Management and Equitable Life Assurance.

Prudential Insurance is the fund's sole real estate manager.

Southern New England's portfolio mix as of Sept. 30, 1982 was 62% stocks, 19% marketable bonds, 8% private placements, 8% cash equivalents, and 3% real estate equity.

Overseeing the employee benefit assets are Alan McBean, secretary and treasurer and Jean LaVecchia, assistant secretary and assistant treasurer.

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Sperry Corp.

	($ millions)
Total assets	1,551
Pension	1,135
Profit-sharing	na
Thrift or savings	416
Employer contributions	na
Benefit payments	na

NEW YORK—Sperry Corp. appointed INVESCO Capital Management, Atlanta, as a balanced manager in October and hired Wellington Investment Management Co., Boston, to invest $2 million in foreign equities.

However, during 1982 the fund cut back foreign exposure from a high of $18 million in 1981 to $6 million as of Sept. 30.

In other news, the company dropped Morgan Guaranty Trust Co. as an equity manager, and started a corporate IRA program on Jan. 1.

Total employee benefit assets of $1,551 million as of Sept. 30 reflect a 10.4% increase from last year's $1,389 million total.

At the end of September, $404 million of the pension assets were internally managed by Sperry Capital Management Corp., the investment management subsidiary. Of this, $127 was invested in equities, $93 million fixed income and $184 million short term.

The fund had $60 million indexed and $104 million invested in GICs. Options are used as a hedging device.

The asset mix as of Sept. 30 was 41% stocks, 13% bonds, 24% cash equivalents and 22% insurance company general accounts.

The company has no profit-sharing plan.

The savings plan is 24% invested in stocks, 1% bonds, 69% insurance company general accounts and 6% cash equivalents.

Investment managers are T. Rowe Price, Connecticut General, Wells Fargo, John Hancock, Travelers, Aetna, Metropolitan Life, F. Eberstadt, Chase Manhattan, Thorndike, Doran Paine & Lewis.

Chase Manhattan bank serves as master trustee.

A.J. Moccia is the Sperry vice chairman and chief financial officer, Thomas V. Hirschberg, is vp-insurance and Raymond L. Colotti, is president-Sperry Capital Management Corp.

Standard Oil Co. of California

	($ millions)
Total assets	2,645*
Pension	1,026
Profit-sharing	1,536
Thrift or savings	83
Employer contributions	305*
Benefit payments	313*

*as of Dec. 31, 1981

LOS ANGELES—Standard Oil Co. of California's employee benefit assets grew by 8% over the year ending Dec. 31, 1981, to $2,645 million.

The pension asset mix on Sept. 30, 1982 was 43% stocks, 27% bonds, 16% cash equivalents, 12% real estate and 2% mortgages.

Profit-sharing assets are 100% in company stock.

Balanced managers are Crocker Investment Management and Equitable. Equity managers are Rosenberg Capital Management, Stralem & Co. and Bankers Trust. Harris Trust, Fidelity Bank of Philadelphia and Forstmann-Leff-Degnan manage bonds. Real estate is handled by Prudential, Travelers, Rosenberg Real Estate Equity Fund and Crocker Investment Management.

Bankers Trust is the master trustee for the pension plan.

Key personnel overseeing the fund are H.W. Bell, director and vp finance; Sellers Stough, vp and comptroller; D.G. Henderson, assistant comptroller; and R.L. Norman, manager-financial analysis.

Standard Oil Co. (In.)

	($ millions)
Total assets	2,320
Pension	1,290
Profit-sharing	na
Thrift or savings	940
Employer contributions	250
Benefit payments	400

CHICAGO—During 1982 Standard Oil of Indiana put a "modest" amount of its $1,290 million in pension assets in financial futures through one of its money managers, Pacific Investment Management Co.

Its total employee benefit assets as of Sept. 30, 1982 were $2,320 million, up 5.5% from the previous year.

The internally managed portion of the pension assets rose $30 million to $250 million in the last year. Of that amount $195 million is in equities, $30 million is in fixed-income, and $25 million is in short-term.

Another $70 million of the pension fund is in an indexed fund. About $55 million is invested in foreign markets, with $40 million in foreign equities and $15 million in foreign fixed income.

The asset mix of the pension fund as of Sept. 30 was 60% in stocks, 20% in bonds, 15% in cash equivalents and 5% in real estate equity.

The profit-sharing plan is 95% in company stock, 1% in bonds and 4% in other investments.

Equity money managers are Chase Manhattan, Equitable Life, Forstmann-Leff, Fayez Sarofim, State Street Research & Management, Stein Roe & Farnham, and CMB Investment Counselors.

Foreign equity managers are Warburg Investment Management International Ltd., Fidelity International Investment Management Inc., and Ivory & Sime International Inc.

Fixed-income managers are Hoisington Investment Management Co. and Pacific Investment Management Co.

The Equitable Life Assurance Society of the United States is a real estate manager.

Chase Manhattan Bank is master trustee for the funds.

Key personnel administering the funds are Philipp W. Binzel, general manager fund investments and investor relations, and David E. Tierney, administrative manager-investments.

Standard Oil Co. (Oh.)

	($ millions)
Total assets	1,040
Pension	710
Profit-sharing	na
Thrift or savings	330
Employer contributions	100
Benefit payments	80

CLEVELAND—Standard Oil Co. (Oh.) acquired Kennecott Corp. in 1981, and the incorporation of Kennecott's funds into Sohio's in 1982 resulted in a doubling of the amount held in its employee benefit plans.

Sohio's employee benefit assets were $1 billion as of Sept. 30.

The asset mix is 49% stocks, 19% cash equivalents, 19% GICs, 4% real estate equity and 9% bonds.

Investment in GICs amounts to $24 million. Also, $41 million is in foreign markets with the full amount invested in equities.

Sohio retained most of the managers handling Kennecott's plan prior to the merger, as well as retaining most of its previous managers. Equity managers are David L. Babson, Jennison Associates, Bernstein-Macaulay, Templeton, MacKay-Shields, National City Bank, Pioneer Group, Wertheim Asset, FNB Chicago, Forstmann-Leff-Degnan, Value Line, Mutual of New York, Metropolitan, Prudential, Robert C. Brown, Investors Research, John Hancock and U.S. Trust.

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handle real estate. Standard Oil of Ohio has GICs with Metropolitan, Mutual of New York and Prudential. Fixed-income managers are Forstmannn-Leff, Robert C. Brown, and U.S. Trust.

Managers for the $330 million savings plan include the Windsor Fund, John Hancock, Metropolitan Life and the Travelers.

The company intends to start a 401(k) plan in 1983.

Chase Manhattan and Bankers Trust are master trustees.

M.A. Williams is assistant treasurer-investments and international finance and C.J. Meyer is manager.

Sun Company Inc.

	($ millions)
Total assets	1,080
Pension	885
Profit-sharing	na
Thrift or savings	195
Employer contributions	50
Benefit payments	50

RADNOR, PA.—The Sun Co. started an options program in February of 1982, with Travelers Investment Management Co. buying the calls and puts and Analytic Investment operating on the sell side.

Sun Co.'s total employee benefit assets, as of Sept. 30, 1982, remained virtually unchanged at $1 billion, from $997 million the year before. The asset mix is 53% stocks, 16% bonds, 5% cash equivalents, 15% real estate equity and 11% GICs. The amount invested in GICs is $97 million, and $21 million is indexed in a Wells Fargo Asset Allocation Account that switches between equity and fixed positions depending on the market.

The fund's foreign market investments total $74 million, $59 million of which is equity.

The remainder is in fixed instruments.

Jennison Associates, MacKay-Shields, Miller Anderson & Sherrerd, Analytic Investment, Travelers Investment Management, Morgan Guaranty, Prudential, GT Capital, Ivory & Sime, Lombard Odier, Warburg Investment and Wells Fargo are equity managers. Bonds are handled by Massachusetts Financial, Fischer, Francis, Trees & Watts and Morgan Guaranty.

Bankers Trust is the master trustee.

W.S. Woods, vp, H.P. Davis Jr. manager-investments and benefit plans, and R.L. Cartlidge, treasury specialist, are key investment personnel.

T

Teamsters, Central States, Southeast and Southwest Areas Pension Fund

	($ millions)
Total assets	3,721
Pension	3,721
Profit-sharing	na
Thrift or savings	na
Employer contributions	650
Benefit payments	518

CHICAGO—On Sept. 21, 1982, the Teamsters and the DOL reached a consent decree under which an independent asset manager will be chosen.

In addition, William B. Saxbe, former U.S. Attorney General and former Senator from Ohio, was named as independent counselor and will monitor the fund's implementation of the consent decree's investment guidelines.

The fund's assets grew 19% to $3.7 billion during 1982.

The asset mix is 41% bonds, 34% stocks, 13% cash, 10% mortgages and 2% equity real estate.

The Teamsters fund has $714 million in immunized portfolios, $38 million in dedicated bond portfolios, and another $5 million in GICs.

Lincoln Income Group, Chicago, was added to the Teamsters' battery of managers last year.

Other fixed-income managers are Massachusetts Financial Services Co., Mellon Bank, and State Bank & Trust Co., which is also the fund's master trustee.

Equity managers are American National Bank and Trust Co. of Chicago, Alliance Capital Management Corp., BEA Associates Inc., Crocker Investment Management Corp., MacKay-Shields Financial Corp., Mercantile National Bank, Dallas, and Oppenheimer Capital Corp.

Short-term investments are managed in-house. Equitable Life Assurance Co. of the U.S. manages some bonds, equities and real estate for the fund. Victor Palmieri and Co. is also a real estate manager.

George W. Lehr is executive director; Jack Yarbrough is operations director.

Teamsters, Western Conference

	($ millions)
Total assets	3,789*
Pension	3,789
Profit-sharing	na
Thrift or savings	na
Employer contributions	464
Benefit payments	225

*as of June 30, 1982

SEATTLE—The Western Conference of Teamsters pension fund increased its assets in equity real estate, to 11% by June, compared to 3.1% as of Sept. 30, 1981.

For nine months ending June 30, 1982, the only figures available, assets for the pension fund increased about 13% to $3.8 billion.

The asset mix, as of June 30, was 62% in GICs, 7% in bonds, 14% in stocks, 6% in cash and 11% in real estate equity.

Prudential Insurance Co. of America handles the entire investment package for the fund, and it has investments in PRISA I and II, the commingled equity real estate accounts.

Joseph Edgar and Owen Bennet are co-chairman of the trust.

Tenneco Inc.

	($ millions)
Total assets	1,196
Pension	723
Profit-sharing	30
Thrift or savings	443
Employer contributions	63
Benefit payments	24

HOUSTON—Dan Watson took over in December as president of Tenneco Financial Services, the arm of Tenneco Inc. that manages the pension fund and other investments for the company. He replaced David M. Cornell, who reportedly left suddenly in a dispute with management.

Last year, Tenneco hired Hoisington Investment Management as a fixed income manager and dropped Ohio Citizens Trust Co.

Tenneco's assets, as of Sept. 30 totaled about $1.2 billion.

The pension asset mix is 29% stocks, 53% bonds, and 18% cash equivalents.

Tenneco manages about $156 million internally, of which $150 million is fixed income and about $6 million short-term investments.

Equity managers are AmeriTrust Corp., Batterymarch, Delaware, Dreyfus, Funds Advisory Co., and IDS Advisory Corp. Bonds managers are Fidelity Bank, Hoisington, RepublicBank, Houston, State Street Research & Management, TCW Asset Management and U.S. Trust Co.

RepublicBank, Houston, is master trustee.

In addition to Mr. Watson, key investment personnel are Richard Allison, assistant vp of Tenneco Financial Services, and Thomas F. Crothouse, director of benefits finance.

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Tennessee Consolidated Retirement System

	($ millions)
Total assets	2,275
Pension	2,275
Profit-sharing	na
Thrift or savings	na
Employer contributions	225
Benefit payments	160

NASHVILLE—The Tennessee Consolidated Retirement System had over $2.2 billion in total employee banefit assets in 1982, which reflects a 26% jump over 1981's total of $1.8 billion.

As of Sept. 30, 1982, the asset mix was 23% stocks, 66% bonds, 10% cash equivalents and 1% mortgages.

All of the pension assets are managed internally.

Dewey Collins Jr., chief investment officer, Swift Lipscomb, equity manager, and Rodney Barber, bond manager, are the key people overseeing the investment of the fund.

Tennessee Valley Authority

	($ millions)
Total assets	1,020
Pension	988
Profit-sharing	na
Thrift or savings	32
Employer contributions	72
Benefit payments	43

KNOXVILLE, TN.—The Tennessee Valley Authority boosted bond and cash at the expense of stock holdings during the past year.

The percentage of its pension and savings plan assets invested in equities dove to 33% as of September 30, down from 51% the year before.

At the same time, its investment in bonds jumped to 40% from 31%, and cash equivalents soared to 15%, from a very small amount the year before. The plans also had 9% of assets in GICs and 3% in real estate. About $143 million was invested in an index fund.

As of Sept. 30, assets for its pension and savings plans grew to $1.02 billion from $830 million the year before.

Park National Bank of Knoxville was added as a bond manager in December 1981.

Other managers for the TVA include Citibank, N.A., American National Bank and Trust Co. of Chicago, Bank of New York, Third National Bank, Nashville, and First American Bank of Nashville, bonds; Citibank and American National, equities; and Citibank and U.S. Trust, real estate.

Eugene A. Stephens, executive secretary, oversees investment for the plans.

Texaco Inc.

	($ millions)
Total assets	1,720
Pension	1,200
Profit-sharing	na
Thrift or savings	520
Employer contributions	115
Benefit payments	50

WHITE PLAINS, N.Y.—Texaco's total employee benefit assets hit $1.7 billion as of Sept. 30.

The Texaco pension fund carried out a major realignment of its investment strategy last November, which culminated in the appointment of six new equity managers. The crux of the reorganization was a switch from a balanced management philosophy, to a specialty/core investment approach.

A new firm, Trinity Investment Management, joined existing managers, American National Bank & Trust, Chicago, and Equitable Life Assurance, handling the core accounts. The new specialist managers named were Gregg, McKay, Knight & McKay, INVESCO Capital Management, McCowan Associates, Harris Associates and MacKay-Shields Financial Management.

An existing equity manager, Manufacturers Hanover Trust, was switched to a specialty approach, and it also inherited all the bonds which had been held in the fund's balanced accounts. At the same time, an equity account held with Travelers Investment Management was terminated. A bond portfolio run by Harris Trust was also discarded.

The fund also has outstanding GICs with Travelers Insurance Company and Equitable Life; and the fund has immediate participation guaranty contracts with Equitable, Travelers, Aetna, Prudential and John Hancock.

Real estate holdings are held in the commingled funds of five insurers: Aetna Life, John Hancock, Equitable Life, Prudential and Travelers Insurance.

At the end of last September, the funds were about 22% in stocks, 17% in bonds, 7% in cash, 4% in equity real estate investments, 46% in Immediate Participation Guarantee contracts (IPGs), and 4% in GICs.

The company hired Chase Manhattan as master trustee at the beginning of the year.

R.G. Brinkman, vp of finance and treasurer, and J.D. Keough, assistant treasurer oversse investment of the funds.

Texas County and District Retirement System

	($ millions)
Total assets	544*
Pension	na
Profit-sharing	na
Thrift or savings	na
Employer contributions	85
Benefit payments	20

*as of Dec. 31, 1981

AUSTIN—The Texas County and District Retirement System was 100% invested in bonds as of Sept. 30, 1982.

Total assets as of December 1981 were $544 million, up $58 million from the same time last year.

J. Robert Brown, director, is responsible for overseeing the investment management of the fund.

Texas Employees Retirement System

	($ millions)
Total assets	1,712*
Pension	1,712
Profit-sharing	na
Thrift or savings	na
Employer contributions	118
Benefit payments	80

*book value as of Aug. 31

AUSTIN—The Texas Employees Retirement Systems had $1.7 billion (book value) in pension assets as of Aug. 31, 1982.

All of the funds are managed internally, with 15% in equities and 85% in fixed income.

Key personnel overseeing investment management are Clayton T. Garrison, executive director, James E. Sessions, assistant executive director and John B. Randolph, director of investments.

Texas Instruments

	($ millions)
Total assets	610
Pension	370
Profit-sharing	240
Thrift or savings	na
Employer contributions	40
Benefit payments	8

DALLAS—Texas Instruments dropped two managers this year—Lynch and Mayer for equities and Wells Fargo Investment Advisors for real estate—and reallocated its $21 million among other existing managers.

Employee benefit assets grew by only $10 million for the year ended

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Sept. 30, to $610 million, largely because of company stock invested in the profit-sharing plan.

Texas Instruments has $10 million in dedicated bond funds, but uses no GICs.

The pension plan's asset mix as of Sept. 30 was 48% stock, 45% bonds and 7% real estate. William L. Green, senior investment analyst, said both equity and fixed income managers use cash equivalents because the company "tends to use managers that time" the markets.

Profit-sharing assets are in company stock.

Managers are Citi-Investments and Hoisington Investment Management for bonds and Forstmann-Leff Associates, Lieber & Co., Herbert R. Smith Inc., Miller, Anderson, Sherrerd, RepublicBank Dallas, and the Rogers, Casey & Barksdale Special Equity Group Trust. Real estate is handled internally, with RepublicBank Dallas as trustee of the real estate funds.

Texas Instruments plans to start with a 401(k) salary reduction plan in 1983.

Mr. Green oversees the fund.

Teacher Retirement System of Texas

	($ millions)
Total assets	7,313
Pension	7,313
Profit-sharing	na
Thrift or savings	na
Employer contributions	492
Benefit payments	426

AUSTIN—The Teacher Retirement System of Texas grew by more than $1 billion during the past year, reaching more than $7.3 billion as of Sept. 30, 1982.

The system suffered a loss of about $10 million on Manville stock when the company filed Chapter 11 bankruptcy last year, leaving the Texas Teachers as one of the biggest stockholders and, therefore, one of the biggest losers. Also last year, the teachers' retirement system began a new direct mortgage program as an alternative to direct real estate equity investments, still prohibited by law in Texas.

The asset mix as of Sept. 30 was 28.5% stocks, 62.2% bonds, 6.2% cash equivalents and 3.1% mortgages.

Key personnel are Clark P. Manning, chief investment officer; Joseph Perronne, assistant investment officer-real estate; Henry Davis, assistant investment officer-equities; and Bob Davis, assistant investment officer-fixed income.

Textron Inc.

	($ millions)
Total assets	872
Pension	651
Profit-sharing	49
Thrift or savings	172
Employer contributions	55*
Benefit payments	50*

*estimate by fund

PROVIDENCE, R.I.—Employee benefit assets at Textron increased 15.5% during 1981, to $872 million from $755 million the previous year.

Textron performs the bulk of its money management in-house. This past year, the assets managed internally grew to $422 million, of which $37 million was in equities, $248 million was in fixed-income and $137 million was in short-term investments.

Outside managers for the Textron pension fund are Chemical Bank, Continental Illinois, First National Bank of Boston, First National Bank of Chicago, Harris Trust and Savings, Hospital Trust Investors and Royal Trust of Toronto.

The pension fund asset mix as of September 30 was 9% equities, 53% fixed income, 24% cash equivalents, 1% equity real estate and 13% in mortgages and miscellaneous investments.

Profit-sharing assets were invested 1% in stock other than Textron, 59% in fixed income and 40% in other investments.

Key personnel overseeing the investment management of the assets are M.G. Wilkins, vp and treasurer, and R.A. Watson, assistant treasurer-investments.

Trans World Airlines

	($ millions)
Total assets	1,412
Pension	1,375
Profit-sharing	na
Thrift or savings	37
Employer contributions	na
Benefit payments	na

NEW YORK—Trans World Airlines' employee benefit assets increased nearly 11% during 1982, to $1,412 million from last year's $1,375 million.

The company was unable to supply figures for its 1982 contributions or benefits payout.

The fund employs 11 firms for pure equity management. These are the American National Bank & Trust Co. of Chicago, Dreyfus Fund, Endowment Management & Research, Equitable Life, Fayez Sarofim & Co., Morgan Guaranty, Putnam Advisory, State St. Research, T. Rowe Price Associates, Torray Clarke, Vaughan, Nelson & Hargrove.

Additionally, the fund uses Fort Hill Investors and McGlinn Investment Services, and Scudder, Stevens & Clark as balanced managers.

Harris Trust and the United Missouri Bank are fixed-income managers. Further, the company placed funds in the commingled real estate funds of Citibank, Coldwell Banker and Aetna Life & Casualty last year.

The fund has guaranteed investment contracts (GICs) with New England Life and Aetna Life, and an Immediate Participation Guaranty (IPG) contract with Equitable Life.

About $11 million is invested internationally, in foreign equities.

On Sept. 30, 1982, the plan was about 45% invested in equities, 15% invested in bonds, 9% invested in cash equivalents, 0.5% in real estate, and 30.5% in GIC and IPG contracts.

Boton Safe Deposit & Trust Co. is master trustee.

Robert A. Peiser is vp and treasurer, Nick C. Moren is assistant treasurer-corporate finance and pension investment director, and Stephanie J. Schenck is senior analyst.

Travelers Corp.

	($ millions)
Total assets	810
Pension	650
Profit-sharing	na
Thrift or savings	160
Employer contributions	62
Benefit payments	26

HARTFORD, CT.—Travelers Corp.'s $810 million in employee benefit assets is internally managed by Travelers Insurance Management Co. (TIMCO) for equities and Travelers Insurance Co.'s securities department for bonds.

The pension assets were 60% in stocks, 12% in bonds, 12% in cash equivalents, 9% in real estate equity and 9% in mortgages and 4% other.

Some $21 million is invested in international equities by Travelers Hill Samuel International Ltd., and $91 million is invested in guaranteed return contracts for the savings plan.

Options are the only hedging device used.

Travelers has established a corporate IRA program for its employees.

C. Roderick O'Neill, chairman, finance committee, Kevin J. Bradley, chairman of TIMCO, and David M. Dunford, senior vp of TIMCO, oversee the investment of the funds.

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TRW Inc.

	($ millions)
Total assets	1,202
Pension	906
Profit-sharing	296
Thrift or savings	na
Employer contributions	80
Benefit payments	65

CLEVELAND—TRW's employee benefit assets, as of Sept. 30, 1982, rose 17% to $1.2 billion.

TRW has set up TRW Investment Management Co. as an investment management subsidiary.

The pension asset mix is 55% stocks, 21% bonds and 24% cash equivalents. The profit-sharing plan is invested 75% in company stocks, 19% in other stocks and 6% in bonds.

Assets managed in-house total $153 million, with $118 million in equities, $4 million in fixed income and $31 million in short-term.

Foreign market investment is $35 million with $28 million in equity and $7 million fixed.

Equity investment managers are TRW Investment, Campbell Advisors, L.F. Rothschild, Alliance Capital, Fred Alger Management and Endowment Management. Bonds are handled by SeaFirst National Bank, Pacific Investment Management and Hoisington Investment. Other managers are Ivory & Sime International and Barings International.

Boston Safe Deposit & Trust is the master trustee.

Overseeing the fund are E.N. Button, president, and W.J. Newman, vp.

U

Union Carbide Corp.

	($ millions)
Total assets	2,051
Pension	2,051
Profit-sharing	na
Thrift or savings	na
Employer contributions	175
Benefit payments	105

DANBURY, CT.—Union Carbide's pension assets increased 13.9% during 1982 to $2 billion.

All of the pension assets are internally managed.

The fund uses options and financial futures.

The approximate asset mix as of Sept. 30 was 65% bonds, 28% stocks, 5% cash equivalents, and 2% equity real estate.

Manufacturers Hanover Trust Co. is the master trustee.

James O'Connell is assistant treasurer and director, pension fund investment services.

Union Oil Co. of California

	($ millions)
Total assets	911
Pension	596
Profit-sharing	265
Thrift or savings	50
Employer contributions	84
Benefit payments	54

LOS ANGELES—In September 1982, Union Oil's pension fund hired four new equity managers. Hellman, Jordan Management Co. and Siebel Capital Management were tapped for domestic issues, while Kleinwort Benson International, London, and Martin Currie in Edinburgh, Scotland, were added for international investments.

The Union Oil Co. of California had $911 million in employee benefit assets as of Sept. 30, 1982, an amount almost unchanged from last year's total of $907 million.

The pension asset mix is 39% stocks, 4% bonds, 14% cash equivalents, 7% real estate equity and 36% mortgages.

Assets managed inhouse total $20 million, all short-term investments. The fund has $21 million under global management.

Profit-sharing assets consist entirely of company stock.

Venture capital is an alternative investment.

Delaware Investment Advisors, Dreyfus Management, Hellman Jordan Management, IDS Advisory, Kleinwort Benson International, Lincoln Capital, Martin Currie Inc., Siebel Capital, and Stralem & Company manage equities. Bonds are handled by Hoisington Investment, Equitable Life, and Prudential Life. Real estate managers are Aetna Life, Equitable Life, First National Bank of Chicago, and Prudential Life.

Northern Trust Company, Chicago, is master trustee.

Overseeing investment management is the Committee of Senior Company Management and Directors.

United Air Lines Inc.

	($ millions)
Total assets	2,510
Pension	2,474
Profit-sharing	na
Thrift or savings	36
Employer contributions	208
Benefit payments	70

CHICAGO—During late 1981 and into 1982, the United Air Lines pension plan hired four new equity managers: Oppenheimer Capital Corp.; Fayez Sarofim; Thorndike, Doran, Paine & Lewis; and Trinity Investment Management. Pacific Mutual Realty was added as a real estate manager. Crocker Investment Management, Fischer, Francis, Trees & Watts and FMR Investment Management were terminated.

On Sept. 30, 1982, United had $2.510 billion in employee benefit assets, of which $2.474 billion was in pension assets and $36 million in a savings plan. The United pension fund's asset mix on Sept. 30 was approximately 60% stocks, 30% bonds, 5% cash and 5% real estate equity. The fund has $110 million in overseas equities and another $30 million in overseas bonds.

United invests its domestic bond portfolio ($215 million) and some cash ($52 million) in-house.

The fund invests $500 million in GICs at CIGNA and John Hancock and another $75 million is in indexed assets at Wells Fargo.

United's other equity managers are Batterymarch, CIGNA Investment Advisory, Jennison Associates, Lincoln Capital, Lombard Odier International, MacKay-Shields, Morgan Grenfell, Pioneering Management, Starwood Corp., Stralem & Co., Trust Co. of the West and Wertheim. In 1982, United increased its assets at Jennison to $170 million from $150 million.

In addition to the Pacific Realty fund, United's real estate assets are invested in the LaSalle Street Fund and the Rosenberg Real Estate Equity Fund.

Harris Trust is master trustee.

Nancy Covington is pension assets administrator.

United Methodist Church

	($ millions)
Total assets	1,107
Pension	1,107
Profit-sharing	na
Thrift or savings	na
Employer contributions	115
Benefit payments	85

EVANSTON, IL.—The United Methodist Church converted its pension fund from a defined benefit to a defined contribution plan in 1982.

Also the fund made many manager changes. In April it hired three new equity managers to split an initial allocation of $40 million: Delaware Investment Advisers, Fayez Sarofim and Frontier Capital Management. The fund also added equity managers during the third quarter: Chase Investment Counsel, M.D. Sass and David J. Greene were added to boost the fund's equity commitment.

The United Methodist Church Pension Fund increased its employee benefits, as of Sept. 30, 1982, to over $1.1 billion, up 22% from $907 million in 1981.

The asset mix is 58% stocks, 11% bonds, 20% cash equivalents, 1% real estate equity and 10% GICs. The amount invested in GICs is $125 million, and $65 million is indexed.

In-house managed assets total $75 million. Of this figure $35 million is fixed income and $40 million short term. In 1982 the fund started an IRA program.

Equity managers are American National Bank, Capital Guardian, Chase Investment Counsel, Delaware Investment, Stein Roe & Farnham, Frontier Capital, Putnam Advisoy, David J. Greene, Fayez Sarofim, M.D. Sass. Bonds are handled by CIGNA Investment, North Carolina National Bank. Real estate manager is JMB Institutional Realty Corp, and GICs are handled by Aetna Life, John Hancock Mutual Life, Metropolitan Life Insurance and Equitable Life.

Gerald K. Hornung is general secretary, James Parker is treasurer, and Gayle Whitson-Schimdt is assistant treasurer.

United Mine Workers of America, Natl. H.Q.

	($ millions)
Total assets	1,912
Pension	1,912
Profit-sharing	na
Thrift or savings	na
Employer contributions	640
Benefit payments	359

WASHINGTON—The United Mine Workers Health & Retirement Funds selected two new equity managers in November. Named to handle the accounts, which will be drawn from cash, were Thompson, Siegel & Walmsley, Richmond, Va., and IntraWest Bank of Denver.

Earlier in the year, the UMW dropped Campbell Advisors Inc. on the equity side and First National Bank of Minneapolis for bonds. New bond managers selected were Fidelity Bank, Forstmann-Leff-Degnan and Manufacturers Hanover Trust Co.

The UMW's three major pension trusts increased to a total of $1.912 billion as of September 30, up 26.7% from $1.509 billion the previous year.

The trusts pulled substantial sums out of their internally managed short-term account and placed them primarily into bonds. Only $235.4 million was managed inhouse as of Sept. 30, compared to $550 million the previous year. Of the in-house assets, $127.3 million is in short-term and $108.1 million is in fixed income.

The overall asset mix, as of Sept. 30, was 32.4% in stocks, 38.4% in bonds, 26.4% in cash equivalents, and 2.8% in real estate equity.

Managers for the funds, other than those mentioned earlier, are Argus Investors' Counsel Inc., Batterymarch Financial Management, Warburg, Pincus Counsellors, Pioneering Management Co., Torray Clark & Co. Inc., equities; Argus, Fixed Income Advisory, Hoisington Investment Management, Lehman Management Co., bonds; and Equitable Life Assurance Society,

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Boston Safe Deposit & Trust Co. is the funds's master custodian.

Linda R. Taylor is treasurer for the UMW and oversees the funds; Margaret D. Patel is assistant treasurer/investments, and Philip S. Mittleman is senior investment adviser.

United Nations Joint Staff Pension Fund

	($ millions)
Total assets	2,600
Pension	2,600
Profit-sharing	na
Thrift or savings	na
Employer contributions	350
Benefit payments	250

NEW YORK—The assets of the United Nations' pension fund grew 13% in the 12 months ending Sept. 30, to $2.6 billion from $2.3 billion the previous year.

While the fund employs two outside advisers, Fiduciary Trust Co. and Citibank, the actual investment decisions are made inhouse and involve the U.N. investment committee as well as the office of the controller and its international investment group.

Fully $910 million, or 35% of the fund, is invested internationally; about 19% of the total fund, or $494 million, is invested in foreign equities, and 16%, $416 million, is invested in foreign bonds. However, about three-quarters of the U.S. dollar denominated bond portfolio, 27% of the total, consisted of the U.S. dollar denominated debt of foreign sovereign states.

The fund will on occasion hedge currencies on the foreign exchange futures markets.

It has also purchased shares in nine pooled real estate equity vehicles, including three in the U.K. and one in Australia. One U.K. fund covers realty investments in continental Europe. Among the commingled fund managers are Aetna Life, Prudential Insurance, Equitable Life, Corporate Property Investors and Wells Fargo.

The asset mix of the fund is 46% in stocks, 43% in bonds, 3% in cash equivalents, and 8% in real estate.

Timothy P. Prince and E. Charles Stockmar are senior investment officers.

United Presbyterian Church Pension Board

	($ millions)
Total assets	678
Pension	678
Profit-sharing	na
Thrift or savings	na
Employer contributions	36
Benefit payments	27

PHILADELPHIA—The United Presbyterian Church Pension Board's employee benefit assets, all pension assets, rose to $678 million, as of Sept. 30, 1982, a 7% increase from 1981's figure of $632 million.

In-house managed assets total $5.5 million, with the full amount in short term.

Investment in GICs is $184 million and indexed assets total $65 million.

The United Presbyterian Church fund has $15 million invested in international equities.

The fund uses financial futures. Venture capital is also an alternative investment.

Equity managers include Fred Alger Management; Froley, Revy Investment; Value Line Asset; and Wells Fargo Investment.

Fidelity Bank handles bonds. Morgan Guaranty is a balanced manager.

The fund has GICs with Aetna, Travelers and John Hancock. Templeton World Fund oversees international investments.

Chase Manhattan is master custodian.

William Irwin Arbuckle II is vp-treasurer.

U.S. Steel & Carnegie Pension Fund

	($ millions)
Total assets	5,566
Pension	5,414
Profit-sharing	na
Thrift or savings	152
Employer contributions	375
Benefit payments	600

NEW YORK—The U.S. Steel Corp contributed 3.35 million shares of convertible preferred stock to the pension fund in lieu of its annual cash contribution in 1982.

The convertible preferred stock was valued by the company at $100 per share, and the move was apparently designed to conserve cash for the giant steel maker.

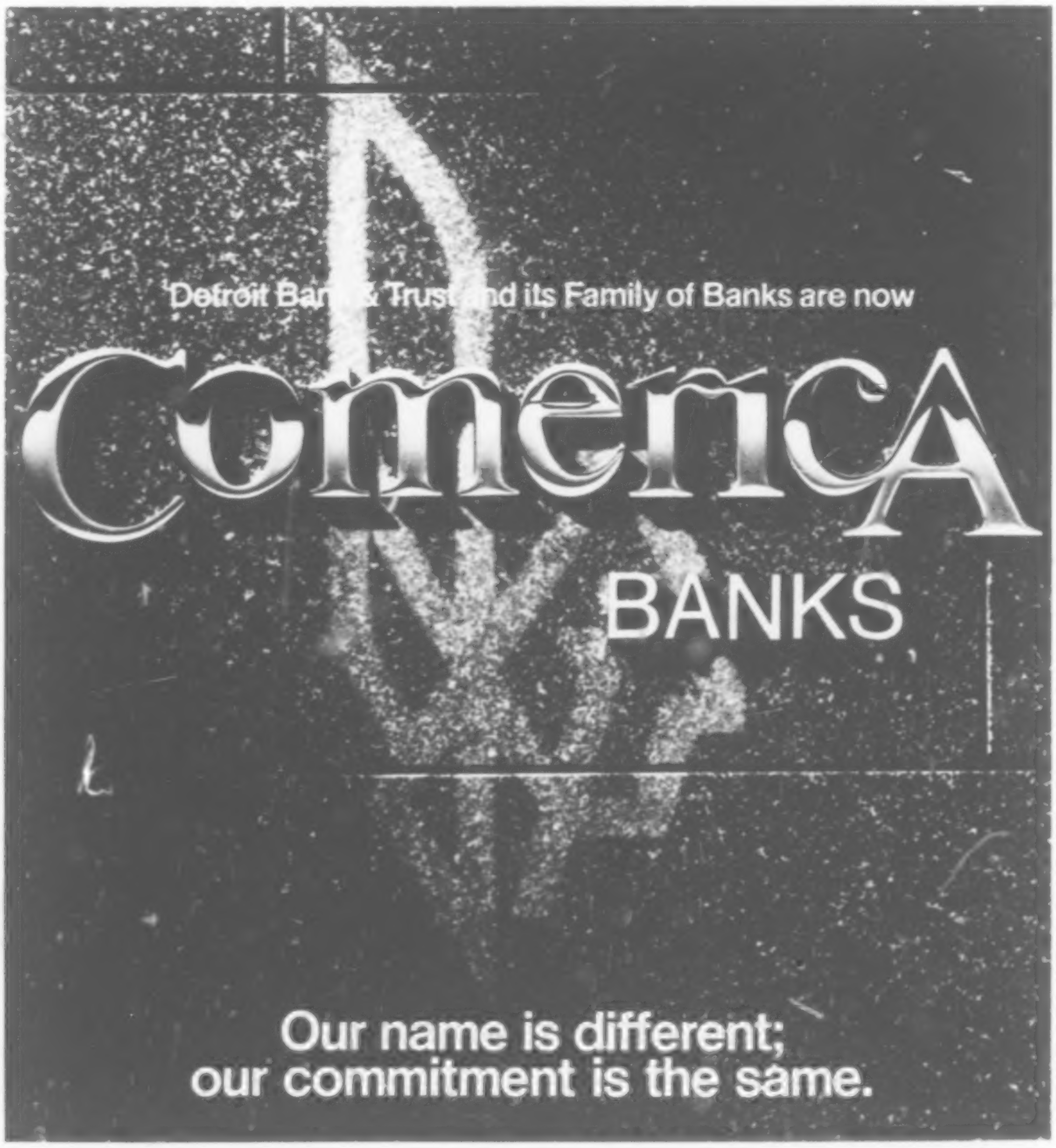
The U.S. Steel pension fund

Pension funds with dedicated assets

Funds	Assets ($ millions)
International Harvester Co.	1,313
Indiana State Teachers'	680
Firestone Tire & Rubber Co.	495
Gulf Oil Corp.	394
McDermott Inc.	390
American Airlines	250
PPG Industries Inc.	200
American Can Co.	193
Honeywell Inc.	176
Pan American	147
Hercules Inc.	146
Chrysler Corp.	140
Inland Steel Co.	122
Raytheon Co.	100
Dart & Kraft Inc.	59
NRECA	59
Operating Engineers, Intl.	56
Philip Morris Inc.	51
Eli Lilly & Co.	50
Manville Corp.	49
Teamsters, Central States	38
United Technologies Corp.	30
Eaton Corp.	20
ITT	15
Texas Instruments	10
TOTAL	5,185

Pension funds with indexed assets

Funds	Assets ($ millions)
AT&T	4,800
N.Y. State Common	2,000
N.Y. City Retirement	1,420
Ford Motor Co.	984
McDonnell Douglas Corp.	945
Maryland State	900
General Motors Corp.	775
Exxon Corp.	624
Washington State	550
IBM	416
Pennsylvania State	321
Arizona State	200
Aluminum Co. of America	150
Tennessee Valley Authority	143
Shell Oil Co.	141
World Bank Staff	133
RCA Corp.	130
Phillips Petroleum Co.	129
Trans World Airlines	115
Southern New England Tel.	109
Operating Engineers, Intl.	108
International Paper Co.	97
Celanese Corp.	96
Allied Corp.	80
Raytheon Co.	75
Texaco Inc.	75
United Air Lines Inc.	75
Standard Oil Co.(In.)	70
Dart & Kraft Inc.	69
United Methodist Church	65
United Presbyterian Church	65
Sperry Corp.	60
Inland Steel Co.	52
Batus Inc.	47
Philip Morris Inc.	32
Kansas Public Employees	30
Illinois Universities	23
Sun Company Inc.	21
TOTAL	16,125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assets increased by 2.3% in the 12 months ended Sept. 30, 1982, and now stand at about $5.5 billion.

All of the assets are managed internally, with $4,050 million in equities, $1,180 million in fixed income and $185 million in short-term investments.

It has some international investments, reportedly in excess of $200 million, but the amount was not disclosed.

Graham O. Harrison, president, and John Van Deusen, vp, oversee the fund investments.

United Technologies Corp.

	($ millions)
Total assets	3,325
Pension	3,000
Profit-sharing	na
Thrift or savings	325
Employer contributions	200
Benefit payments	175

HARTFORD, CT.—United Technologies Corp. gave an additional $10 million each to three of its six international investment managers in 1982. The managers receiving the additional assets were ABD International Management, Daiwa International Capital Management and Nomura Capital Management.

International investments now total to $128 million, all in foreign equities.

In 1982 United Technologies also appointed two more real estate advisers for direct investments, Bank of America and InterFirst-Dallas, beyond the five open end real estate funds it entered in 1981.

United Technologies repositioned $107 million in indexed assets and created an "alpha fund" managed by Citi-Investments. This fund is designed to do better than the market, unlike an index which tracks the stock market.

The company made progress toward putting 1% of its employee benefit assets in oil and gas and venture capital, said Charles W. Lard, assistant treasurer, pension investment management.

The company began a 401(k) savings plan and a corporate IRA program in 1982.

Total pension assets were up 11.1% over the $2.7 billion reported last year, and totaled $3.3 billion as of Sept. 30.

The asset mix as of Sept. 30 was 37% stocks, 5% bonds, 5% cash equivalents, 5% real estate equity, 43% insured assets and 5% international.

The pension fund had $30 million invested in dedicated bond funds and $1.3 billion invested in GICs.

The company uses Morgan Holland for venture capital.

The U.S. equity managers as of Sept. 30 were Bankers Trust Co., Batterymarch Financial Management, Capital Guardian, Citibank, Connecticut Bank & Trust, CG Investment Management Co., Connecticut National Bank (formerly Hartford National Bank), Delaware Investment Advisers, Jennison Associates Capital Corp., NSR Asset Management, Oppenheimer Capital Corp., T. Rowe Price, Putnam Advisory and Wertheim Asset Management.

The fixed-income managers were Brown Brothers Harriman, John Hancock Mutual Life Insurance Co., Scudder Stevens & Clark.

The real estate managers, appointed in 1981 were Citibank, Equitable Life Assurance Society of the U.S., Prudential Insurance Co. of America, Aetna Life & Casualty Co., and Connecticut General Life Assurance.

Other international managers were Morgan Guaranty, Batterymarch Financial Management, State Street Bank & Trust Co.

Joseph A. Biernat is the vp-treasurer, Raymond L. Willis is assistant treasurer benefits administration, Mr. Lard is assistant treasurer-pension investment management, and Brenda J. Sullivan is manager-corporate investments.

Utah State Retirement Systems

	($ millions)
Total assets	1,375
Pension	1,375
Profit-sharing	na
Thrift or savings	na
Employer contributions	84
Benefit payments	39

SALT LAKE CITY—As of Sept. 30, 1982, the employee benefit assets for the Utah State Retirement System jumped 42% to approximately $1.4 billion, up from 1981's total of $955 million.

The pension asset mix is 28% stocks, 52% bonds, 13% cash equivalents, 6% real estate equity and 1% mortgages. Options are used as a hedging device.

In-house managed assets total $962 million of which $57 million is in equities, $736 million is in fixed income, and $169 million is in short

Funds investing in venture capital

Allied Corp.
Aluminum Co. of America
American Telephone & Telegraph
Armco Inc.
Citibank
Colorado Public Employees
Conoco Inc.
Continental Group Inc.
Deere & Co.
Episcopal Ministers' Church
Firestone Tire & Rubber Co.
FMC Corp.
Ford Motor Co.
General Electric Co.
General Foods
General Motors Corp.
Grumman Corp.
GTE Corp.
Honeywell Inc.
Hughes Aircraft Co.
Inland Steel Co.
International Business Machines
Eli Lilly & Co.
Litton Industries Inc.
Michigan State Employees
National Steel Corp.
Ohio Public Employees
Ohio School Employees
Ohio Teachers Retirement
Owens-Illinois
Republic Steel Corp.
R.J. Reynolds Ind.
Union Oil Co. of California
United Presbyterian Church
United Technologies Corp.
Washington State
Westinghouse Electric
World Bank Staff Retirement Plan

Funds investing in oil and gas

American Telephone & Telegraph
Celanese Corp.
CIGNA Corp.
Citibank
Eastern Air Lines
Exxon Corp.
Firestone Tire & Rubber Co.
Ford Motor Co.
General Electric Co.
General Motors Corp.
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Reed Gunderson, investment officer, Butch Johnson, investment officer for real estate, and Richard Cherry, assistant investment officer, are key personnel.

V

Virginia Supplemental Retirement System

	($ millions)
Total assets	2,600*
Pension	2,600
Profit-sharing	na
Thrift or savings	na
Employer contributions	230
Benefit payments	176

*as of Oct. 31, 1982

RICHMOND—Total pension assets of the Virginia Supplemental Retirement System soared 44% in the year ending October 31, to $2.6 billion, compared to $1.9 billion the year before.

Nearly half of the assets were managed in-house, with $834.1 million in fixed income, $220.8 million in equities, and $169.3 million in short term.

Overall, 44.2% of assets were invested in stocks, 39.1% bonds, 7% in cash equivalents, 5.7% in real estate equity, and 4% in mortgages for state buildings.

Fayez Sarofim was dropped as an equity manager during 1982, while Delaware Investment Advisors Inc. and Lincoln Capital Management Co. were added on. Other equity managers include Bank of New York, Batterymarch Financial Management, MacKay-Shields Financial Corp. and Putnam Advisory Co. Inc.

The RREEF Funds were added to the Equitable Life Assurance Society and the Prudential Insurance Co. as real estate managers.

Massachusetts Financial Services Co. continue as bond manager.

Jonathan P. White is the chief investment officer.

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Washington State Investment Board

	($ millions)
Total assets	3,557
Pension	3,557
Profit-sharing	na
Thrift or savings	na
Employer contributions	550
Benefit payments	400

OLYMPIA, WA.—The Washington State Investment Board made an initial allocation of between $50 million and $70 million to the Wells Fargo Investment Advisors' extended market index fund in June 1982. The move was believed to be the funds "first step" in diversifying away from the S&P 500 Index Fund that has been managed internally. The two indices combined will expose the fund to about 98% of stocks available, a spokesperson said in June.

The Washington State Investment Board's employee benefit assets, as of Sept. 30, 1982, totaled $3.5 billion.

In-house managed assets total approximately $2.9 billion. Of this figure $2.1 billion is fixed, $550 million is equity and $309 million is short-term.

About $550 million is indexed. Venture capital is used as an alternative investment.

The asset mix is 32% stocks, 23% mortgages, 22% bonds, 1% real estate equity and 22% other.

Investment managers handling equities are Wells Fargo Investment (passive index fund), Torray Clark, Batterymarch, Loomis Sayles and Columbia Management. Real estate managers are Pacific Realty, Prudential and Equitable.

John Hitchman is director, and Dave Lodefink is deputy director.

Profile statistics at a glance

	1982 ($ millions)	1981 ($ millions)
Top 1,000 fund assets	622,596	519,200
Top 200 fund assets	469,339	393,582
Top 100 fund assets	386,371	329,066
Top 50 fund assets	306,748	262,490
Top 25 fund assets	230,477	199,969
Top 200 pension fund assets	419,263	na

Top 200 fund statistics

	1982 ($ millions)	1981 ($ millions)
Assets managed inhouse	199,066	161,200
Assets indexed	16,100	13,857
Assets invested in real estate	12,752	6,831
Assets invested in GICs	11,400	9,459
Assets invested overseas	3,751	2,541
Assets in dedicated bond portfolios	5,200	na
Total employer contributions	37,117	37,312

Top 200 fund alternative investments

	1982 (No. of sponsors)	1981 (No. of sponsors)
Indexed assets	39	34
GICs	70	62
Foreign investments	67	51
Real estate	105	97
Options	41	39
Financial futures	13	9
Venture capital	38	27
Oil and gas investments	20	10

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Westinghouse Electric Corp.

	($ millions)
Total assets	2,815
Pension	2,545
Profit-sharing	na
Thrift or savings	270
Employer contributions	100
Benefit payments	200

PITTSBURGH—Westinghouse Electric Corp.'s pension fund entered August's stock market rally by buying stock-index futures contracts in lieu of stocks. It was one of the first pension funds to buy a future on the new Standard & Poor's 500 stock market index.

The company's employee benefit assets totaled $2.8 billion as of Sept. 30, 1982, up 22.3% above last year's $2.3 billion.

Of the $2.5 billion pension tota $1.5 billion was internally managed by Westinghouse Pension Investment Corp., of which $400 million was invested in equities and $1.1 billion in fixed-income.

Outside equity managers, as of Sept. 30, 1982, were Mellon Bank, Citi-Investments, Manufacturers Hanover Trust Co., The Putnam Advisory Co., Stralem & Co., Provident National Bank, and Andrecom Advisors Corp.

Bonds are handled internally by the fund.

Real estate investments were handled by Equitable Life, Merrill Lynch Hubbard, Citi-Investments and First National Bank of Chicago.

In addition to futures, Westinghouse used options as a hedging device in 1982 and invested in venture capital and oil and gas.

The pension fund's asset mix, as of Sept. 30, 1982, was 37% stocks, 46% bonds, 3% cash equivalents, 11% real estate equity and 3% mortgages.

Thomas A. Gudiness is director of pension funds, Harry R. Murray is vp pension investment and investor relations and Burt N. Dorsett is president Westinghouse Pension Investment Corp.

West Virginia Employees Retirement System

	($ millions)
Total assets	820*
Pension	820
Profit-sharing	na
Thrift or savings	na
Employer contributions	25
Benefit payments	25

*Book value

CHARLESTON, W.V.—The West Virginia Employees Retirement System's assets (book value) rose slightly, as of Sept. 30, 1982, to $820 million from 1981's figure of $810 million. The full amount is pension assets and is managed inhouse.

The asset mix is 67% bonds, 18% cash equivalents and 15% mortgages.

Overseeing investment management of the system's funds is James L. Sims, director of investments.

Wisconsin Investment Board

	($ millions)
Total assets	6,184
Pension	6,184
Profit-sharing	na
Thrift or savings	na
Employer contributions	484
Benefit payments	230

MADISON—The $6.2 billion Wisconsin Investment Board created two new inhouse programs to handle real estate and small-company stock investments. Initially, the real estate division will invest some $60 million, and the small-company stock fund will start with $100 million.

During 1982, the fund's assets increased 32% to $6.2 billion from $4.7 billion. The asset breakdown is 51% bonds, 35% stocks, 11% cash, and 3% mortgages. Some $20 million of the fund's fixed-income investments is invested in Canadian-dollar bonds.

Morgan Guaranty Trust Co. is the fund's custodian.

Kenneth E. Codlin, executive director, oversees the internally managed fund's investments.

World Bank Staff Retirement Plan

	($ millions)
Total assets	700
Pension	700
Profit-sharing	na
Thrift or savings	na
Employer contributions	72
Benefit payments	na

WASHINGTON—Total assets in the World Bank Staff Retirement

Plan rose to $700 million as of Sept. 30, up from $550 million the previous year.

The fund dropped Brokaw Capital Management and J.W. Redmond as managers. It added on Allen & Co.

As in the past, the World Bank retirement plan kept a large portion of its assets in international investments. Hilda Ochoa, chief pension investment division, reported that 20% of assets were invested in foreign markets.

According to the Money Market Directory, the fund's asset mix is 20% in actively managed U.S. stocks, 19% in index funds, 24% in bonds, 14% in cash equivalents, 7% in real estate, 1% in venture capital and 15% in international. The fund also employs options and financial futures.

As of March 1982, the fund's other investment managers include AIM Management, Equitable Life Assurance Society, First Investors Corp., Fischer, Francis, Trees & Watts, Grantham, Mayo Van Otterloo & Co., Hoisington Investment Management Co. Inc., Morgan Guaranty Trust Co. of New York, Prudential Insurance Co. of America, Robeco, State Street Bank & Trust Co., Torray Clark & Co., Wells Fargo Investment Advisors, and Wilmington Capital Management Inc.

State Street Bank is the master trustee.

Ms. Ochoa heads the pension investment division. Daryl Brown and Dennis Stattman are investment officers.

X

Xerox Corp.

	($ millions)
Total assets	1,204
Pension	na
Profit-sharing	988
Thrift or savings	216
Employer contributions	95
Benefit payments	56

STAMFORD, CT.—Xerox hired two new money managers in 1982.

Added to its roster of investment professionals are Siebel Capital Management and Investors Research Corporation (Kansas City), which have both been added as equity managers.

Total employee benefit assets for the blue-chip data processing company have increased 13.5% to $1,204 million last year when Xerox reported a total asset figure of $1,060 million.

Xerox has also upped its commitment to international investing this year.

Assets committed to international have gone from $60 million in 1981 to $73 million this year, $54 million in international equity commitments and $19 million in international bond commitments.

Another move made this year at Xerox was the establishment of a corporate IRA account for employees.

International money managers for Xerox are Capital Guardian Trust Company, Fidelity International, G.T. Capital Management (San Francisco), and Ivory & Sime International.

Of the $216 million in thrift plan assets at Xerox, $212 million is invested in GICs.

Including Siebel and Investors Research Corp., equity managers for Xerox are Citibank, Batterymarch Financial Management, Eagle Management and Trust Company, Rosenberg Capital Management, Trust Company of the West, Wall, Patterson, McGrew & Hamilton, Schafer Capital Management Company (formerly INCO Capital Management), and Management Asset Corporation (Westport, Ct.).

Bond managers for Xerox are Citibank, Rosenberg Capital and Trust Company of the West.

For real estate, Xerox employs Rosenberg Real Estate Equity Fund and JMB Institutional Realty Corp.

As of Sept. 30, 1982, Xerox's asset mix for its profit-sharing plan was 60.1% stock, 14.1% bonds, 12.9% cash equivalents and 12.9% real estate equity.

Robert Evans, manager-employee benefit assets and Myra Drucker, manager-trust investments are responsible for overseeing the investment management of the Xerox retirement funds.

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Strong market moves predicted

DALLAS—Sponsors must look beyond a short-term economic contraction and make heavy, long-term equity commitments to avoid making a "historic" investment mistake, urged Dr. Robert Goodman, chief economist for J. & W. Seligman & Co.

Mr. Goodman, a New Yorker, was in Dallas recently for a series of speeches to help promote Seligman's entrance into the investment advisory community in Texas.

He said the "revolutionary" change in economic philosophy in the United States, in both monetary and fiscal policy, signals market moves of great magnitude. "The next move in the market will make the last one seem anemic," he said.

His forecast was based partly on his assumption that the Federal Reserve Board will continue its policy of letting the marketplace determine interest rates and of managing the money supply in a non-inflationary way.

"The Federal Reserve has no choice," he said.

Predicting budgetary and fiscal matters will be the major issues of 1983, Mr. Goodman said tax cuts, expected decisions about the Social Security system and future cuts on the entitlement side of government spending all point to a conservative fiscal policy that will be a boon to investors.

As a result of these fiscal and monetary policy shifts, the economist said investors are "being handed the best investment opportunities we've ever seen."

Mr. Goodman noted many sponsors move in herds, reacting to proven changes in the economy and following others.

"They can't wait for it to become clear. The time to invest is now," he said.

He acknowledged some pension administrators are reluctant to plunge into the market because they don't see proof that an economic recovery is under way. "It's going to take a buildup of orders" for them to be confident, he said, "but a successful money manager can't wait for that. We're in the business of anticipating."

He also cautioned against sponsors or money managers trying to time the current bull market.

"Don't try to time this market; you can't do it," he said. "Timing was a creature of the '70s and the kind of market in the '70s. Timing was insurance. You don't need insurance now.

"The market of the '80s will be similar to the market of the '50s and '60s." ■

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U.S. launches billion-dollar cash rescue

By Richard J. Gillespie

Cash management

WASHINGTON—The federal government could save an immediate $6.5 billion and an additional $520 million a year simply by rationalizing and improving its cash management procedures, according to industry experts.

But the White House is not blind to the possibilities. It set up a working party Nov. 1 under David Stockman, director of the Office of Management and Budget, to achieve savings and investigate the government's efficiency at managing the huge volumes of cash.

The White House program is expected to produce a wide-ranging modern cash management system for the government in the next five years. Such a system is a prime target now that the $848.5 billion federal budget unveiled last month has put a spotlight on the massive sums moving through the federal coffers.

According to two government cash managers, speaking at a conference in Atlanta, the government has been losing the money through such practices as mailing interest payments out 15 days in advance of the due date to ensure they arrived on time.

They said simple methods, such as using electronic funds transfer, can enable the government to keep the money in its coffers—in this case at least 10 days longer—reducing its borrowing needs substantially.

The cash managers said any corporate cash manager who looked at the current dollar flows would see huge opportunities on which the administration could capitalize by using its cash more effectively.

Other industry experts said that, assuming federal funds will flow at approximately the same rate as in the 1982 tax year, about $6.5 billion each day, merely speeding up the process to gain an extra day in float could achieve an immediate saving of $6.5 billion and annual savings of at least $520 million assuming the government is paying 8% interest on money

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Pensions & Investment Age

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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • February 7, 1983

Retirees seek PBGC takeover

By Nancy Webman

DALLAS—Attorneys for retired Braniff Airways pilots are attempting to dump another $25 million to $30 million in unfunded liabilities on the Pension Benefit Guaranty Corp.

The PBGC already has filed a $39 million employer liability claim against Braniff International Corp. for unfunded liabilities from the airline's pension funds for Teamsters and machinists. In addition Braniff officials have said they probably will turn over to the PBGC the management plan which has an unfunded liability of about $7.4 million. Braniff officials had said the pilots' plan had sufficient assets and would not need to be turned over to the PBGC.

With the possible pilots' claim added in, the PBGC would be forced to swallow at least $71.4 million from Braniff, making it the largest claim in the history of the PBGC.

The new claim on the part of the retired pilots is the result of a legal maneuver by Dallas attorney Jim Hicks. Mr. Hicks said he is appealing a U.S. Bankruptcy Court ruling that set maximum benefits for retired Braniff pilots at $14,400 per year. Under those benefit levels, the Braniff plan for pilots would have $20 million more in assets than it must pay out in benefits.

If Mr. Hicks succeeds in his appeal of U.S. Bankruptcy Judge John Flowers' decision, the benefits for pilots will be increased to 40% of average earnings in a five-year period, which Mr. Hicks said is the rate promised by the plan. Mr.

Continued on page 43

Three contribute stock to funds

2 contributions tagged to offerings; one comes from corporate coffers

By Nancy Webman

DALLAS—Martin Marietta, American Airlines and Republic Steel have joined a growing list of firms making a portion of their pension fund contribution in stock.

The Republic Steel and American contributions were new issues made along with a larger public offering, and Martin Marietta's contribution may have come from shares the company held as a result of the recent Bendix Corp. takeover battle.

AA AmericanAirlines

MARTIN MARIETTA

Republicsteel

In addition, two of the contributions introduced some restrictions: Republic Steel's fund cannot sell its shares until April 16 unless there is a price rise or fiduciary standards would be violated; in the case of Martin Marietta, the company's board of directors is retaining investment authority over company shares in the fund.

In the past few months, a number of companies including U.S. Steel, Reynolds Metals and Kodak have contributed common or preferred stock in lieu of cash; in December, LTV made a contribution consisting in part of its own bonds.

According to Dan Roling, an analyst with Merrill Lynch, part of the shares Martin Marietta contributed to its pension fund may have been those left in the company's coffer after the stock swapping that occurred in the takeover tangle with Bendix. He said that during the struggle, Martin Marietta bought $900 million worth of its own common stock from Allied Corp., which came to its aid in the battle.

According to a press release, Martin Marietta channeled "up to 450,000 shares" of common stock into its pension fund in lieu of part of its 1982 contribution.

If all the shares were contributed, at their roughly $42 per share market value, the stock contribution would amount to $18.9 million, or 29% of the company's $65 million 1982 contribution, which it reported in *Pension & Investment Age*'s annual profile issue (*P&I Age*, Jan. 24). The press release states that the pension fund is expected to hold on to the stock as a long-term investment, and "there is no present intention to make these shares available for sale."

In addition, according to the release, "the investment authority over the shares of common stock to be held by the trust will be exercised by the board of directors of the corporation." Company stock holdings now constitute about 5% of the retirement trust assets, according to the release.

Martin Marietta would not agree to an interview by press time.

American's parent company, AMR Corp., issued 5 million shares of cumulative convertible preferred stock, of which 585,000 went into American's pension fund coffers as about 13.3% of its 1982 contribution, which amounted to $110 million as reported in *P&I Age's*

Continued on page 45

Financial officers find technique eases cash flow; can bolster balance sheet

By Kimberly Blanton

Corporate finance

CHICAGO—Corporate financial officers have found that contributing stock in lieu of cash to their pension funds is a useful tool in easing corporate cash-flow problems while bolstering the company's debt/equity position.

This new corporate finance technique is fast catching on among companies trying to weather the depressed economy, which has led many to borrow heavily or to deplete cash reserves just to stay afloat.

Healthier companies have also used it to marshal cash for other corporate purposes, and the technique has tax advantages that other cash-saving methods, such as contribution waivers, do not. One source indicated it may even be useful for increasing the size of new issues without lowering the shares' market value.

Within the past two weeks, American Airlines Inc., Martin Marietta Corp. and Republic Steel Corp. have joined a growing list of companies that have made stock contributions. U.S. Air Inc. executives are studying it.

In a rash of contributions last fall, several metals producers contributed stock: Aluminum Co. of America, Reynolds Metals Co., U.S. Steel Corp. and Wheeling Pittsburgh Steel Corp. Eastman Kodak Co. and Ideal Basic Industries followed.

"This activity is getting increasing recognition in the corporate world," asserted Donald Smith, vice president, Morgan Stanley Inc.

"In lieu of putting up cash, you're able to use corporate securities," explained Dale Hay, vice president-corporate affairs, U.S. Air. "You don't have to come up with cash."

For a number of companies, particularly those in tight cash situa-

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Late news

Sun Co. allocates to 2

RADNOR, PA.—The Sun Co. has added two international managers to its stable of advisers running international portfolios for its $970 million pension fund, according to Richard Cartlidge, investment benefits specialist. Hired to run less than $20 million each were Capital Guardian Trust Co. and Fidelity International Investment Management, Mr. Cartlidge said.

GAF order granted

NEWARK, N.J.—Federal Court Judge H. Lee Sarokin granted a temporary restraining order here Jan. 28 preventing GAF Corp. from distributing the assets from its terminated defined benefit pension plan.

Robert Esteves, a former employee, sought the order to forestall the distribution of assets until the court has heard arguments on the legality of GAF's plan to repossess at least $35 million in surplus assets from the $205 million fund. The plan was terminated last fall.

Teamsters file suit

DALLAS—The Teamsters Central States Southeast and Southwest Areas Pension Fund has filed suit

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CREDIT RATINGS

In Corporate Finance: Agencies predict continued lowerings

L.A. City, Memphis Light

Bond option programs receive good reviews

By Steve Hemmerick

LOS ANGELES—The first reviews are in on the new bond options programs and they are favorable ones.

The $1 billion Los Angeles City Employees' Retirement System has been surprised at the premium return it has earned on its program, and the $175 million Memphis Light, Water and Gas Division is pleased with its similar program.

Both are among the first funds in the country to write option contracts on Treasury bonds. The Securities and Exchange Commission gave the Chicago Board Options Exchange permission to trade contracts on Treasury bonds only months ago.

The Los Angeles City fund began writing covered call options on Treasury bonds last December, and so far has realized about $400,000 in premium income, said Earl Anschultz, pension fund manager. The fund began its program through one of its fixed-income advisers, Loomis, Sayles & Co. Currently, the fund is using the program as a cash substitute, which is yielding more than Treasury bills or cash equivalents.

"It's exciting and safe," said Mr. Anschultz, who also guided the public fund into being one of the first to use stock options back in 1975. So far, the fund has written and sold three covered call options contracts with an underlying value of $15 million in Treasury bonds. The fund will commit up to $25 million in bonds, he said.

Two of the contracts, options on bonds with an underlying value of $10 million, have been written out of the money, and a third contract, on $5 million, at the money. The

Continued on page 42

Adviser questionnaires

Questions for *Pensions & Investment Age's* annual investment adviser profiles issue, to be published April 4, have been mailed to more than 700 investment management firms.

The questionnaire seeks information on the amount of tax-exempt assets managed, investment approach, numbers and types of tax-exempt clients, and names of key personnel in the firms.

The Investment Adviser Profile issue is used by many pension funds as a starting point in their search for money managers, and is also a source for industry statistics.

Any investment management firm which wishes to be profiled, but which has not received a questionnaire, should call Ivy Schmerken in the New York office, at 212/210-0117.

Late news

Continued from page 1

in Federal District Court against TeleCom Corp. and its subsidiaries to recover what likely is the largest withdrawal claim ever in a multiemployer pension fund. The Teamsters are seeking $62.5 million in unfunded, vested benefits for employees of Spector Red Ball Inc., a subsidiary of TeleCom. Spector was not named in the suit.

Al Levy, attorney for the Teamsters in Chicago, said that because Spector has less than $10 million available to pay withdrawal claims, the only chance to recoup the withdrawal liability would be from TeleCom and its other subsidiaries.

Larry Schurmann, controller for TeleCom in Houston, said his company "intends to vigorously contest" the Teamsters' suit. In addition, he said, TeleCom and Spector have filed suit in bankruptcy court in San Antonio challenging parts of the Multiemployer Pension Plan Amendments Act of 1980 that assess "heavy monetary penalties on employers who withdraw from multiemployer pension plans."

Spector filed for bankruptcy and withdrew from the plans in April.

Beatrice picks Baring

CHICAGO—Beatrice Foods Co. has made its first move into international investing, selecting Baring International Investment Ltd., according to a Beatrice spokesman. The company has $250 million in employee benefit assets.

Romine leaves airline

ALHAMBRA, CALIF.—George L. Romine Jr. has resigned as director of insurance and trust investments with Continental Air Lines Inc., Los Angeles, to join Santa Fe International Corp., Alhambra, as director of pensions. Continental has named Richard Hobein as the new director of pensions, according to a company representative.

New PBGC proposal

WASHINGTON—The Pension Benefit Guaranty Corp. has proposed a voluntary program that would enable multiemployer plans to obtain benefit guarantees equal to those provided for single-employer plans. The supplemental guarantee program would require multiemployer plans to meet a rigorous four-part test that would include meeting set asset-to-benefit-payment ratios for the past 15 years, and the next 10 years. Plans would have to pay an additional premium to participate.

Getty appoints two

LOS ANGELES—Getty Oil Co. has added Avatar Associates, New York, and McKenzie, Walker Investment Management, Larkspur, Calif., as equity managers to run an undisclosed portion of its almost $600 million pension fund, according to a company spokesman.

Charges to be settled

WASHINGTON—The Labor Department has announced that six former and current trustees of the Southern Nevada Culinary Workers and Bartenders Pension Trust have agreed to pay the fund $3.7 million to settle charges of violating ERISA.

In addition, the fund must be managed by outside asset managers for five years and meet other safeguards.

General Mills in realty

MINNEAPOLIS—The $460 million General Mills Inc. pension fund has allocated part of its 1982 cash flow to real estate investments, including a $4 million investment in Trust Co. of the West's closed-end Realty Fund I, said Judy Mares, director of benefits finance. Citibank received $2 million and David J. Green & Co. an extra $1 million for investments in REITs and realty-related companies.

Protests sent to DOL

WASHINGTON—Past and current employees of Harcourt Brace Jovanovich have sent letters to the Department of Labor protesting the pension fund's $28.8 million investment in land and a building, to finance the company's new corporate offices in Orlando, Fla. They say they oppose investing 40% of the $65 million plan in a single real estate investment, and question the salability of the investment in the event that Harcourt, the sole tenant, were to go out of business.

Treasury borrowing

WASHINGTON—The U.S. Treasury expects to borrow $203 billion in fiscal year 1984, down slightly from the $215 billion it needs in 1983, according to the administration. Other federal entities plan to borrow $14 billion next year.

Smith will join FRC

TACOMA, WASH.—L. Duncan Smith, principal of Peat Marwick Mitchell & Co.'s consulting unit in New York, will join Frank Russell Co. as vice president and client executive in early April.

Budget continues pressure on federal plans

Projects $550 million PBGC deficit; also seeks increases for Labor Department, IRS and SEC

By Joel Chernoff

WASHINGTON—President Reagan's proposed budget for the 1984 fiscal year offers a stepped-up attack on federal retirement programs, particularly the Civil Service Retirement System.

Civil service employees already felt under siege from the bipartisan Social Security commission's recommendation that new federal hires be covered by the national pension system. Now, the administration has proposed healthy cuts in their retirement benefits and increased payroll taxes for employees.

Total outlays requested for all federal employee retirement and disability programs come to $22.2 billion in 1984, up from $20.9 billion in 1983.

Outlays needed for the civil service and disability fund alone total $15.9 billion in 1984, up from $15.2 billion in 1983. Of that $15.9 billion, $3.9 billion is for current appropriations and $12 billion for transfers of interest on unfunded liability and payment of military service annuities.

The proposed changes for Social Security were included in the budget. Receipts would be boosted $22.9 billion from 1984 to 1986 by the National Commission on Social Security Reform's recommendations.

As expected, the president also proposed a six-month delay in granting cost-of-living raises to veterans' pensions and other entitlement programs, as had been recommended for Social Security benefits.

In addition, he called for a one-year freeze on pension benefit increases for both civil service and military pensions.

For achieving long-term cutbacks in federal retirement benefits, President Reagan proposed trimming the federal Civil Service Retirement System. Saying the system "is one of the most generous pension plans available" in the United States and is only 20% funded by employees, the administration proposed changes that would save the government $899 million in 1984.

The government did not attempt, however, to scale back railroad retirement benefits. The federal subsidy to the Railroad Retirement Board is budgeted at $350 million for fiscal year 1984, down from $430 million in 1983 and $390 million in 1982.

The subsidy is for "windfall benefits," which go to 400,000 retirees who have qualified both under the railroad system and Social Security, entitling them to dual benefits. While a 1974 law prevented future workers from qualifying for both programs, federal subsidies will be required until the end of the cen-

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Vol. 11, No. 3—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Village sues over member loan plan

By Linda Savage Ruhe

WHEELING, ILL.—The Village of Wheeling has filed suit challenging the use of police retirement funds to finance a low-interest mortgage program for fund members and retired plan participants, according to Village Attorney James Rhodes.

The village is charging, among other things, that the investment is imprudent under Illinois law.

The pension board recently approved the use of $2.7 million of the fund's $3.2 million in pension assets to finance a mortgage program providing $60,000, 30-year loans at an annual interest rate of 9%.

The fund expects to net 6% from the loans.

The fund covering Wheeling police is part of the $500 million Downstate Police Pension Fund for state regulation purposes, but each of the 281 police department funds is administered and invested by a separate board.

This would be the first such use of the money by the various police departments, but several other departments were said to be considering similar proposals.

The suit filed in Cook County Circuit Court requests the court to declare the investment program illegal, and lists 11 complaints.

Those complaints include charges that the investment with a 6% return is an imprudent investment under Illinois statutory requirements and also a constitutional violation of the Illinois pen-

Continued on page 42

Board member decries 'incestuous transaction'

California fund guarantees loan to state

By Steve Hemmerick

SACRAMENTO, CALIF.—There was absolutely no political "blackmail" behind the decision of the California Public Employees' Retirement System staff to guarantee a $400 million loan to the State of California, according to a staff member.

But Jake Petrosino, who represents local and county members on the $18 billion retirement fund's board of trustees, was incensed. He said the guarantee, given without the board's immediate knowledge, was an "incestuous type of transaction" and a "sweetheart deal" for the financially troubled state.

The state controller's office asked for the pension fund's backing after learning the interest on a loan from Bank of America would be much higher without the guarantee.

The state has a projected deficit of $1.5 billion and a constitutional requirement that it balance its books at the close of the fiscal year.

State Controller Ken Cory reportedly made several verbal guarantees that the pension fund would earn $400,000 virtually without risk for the guarantee.

Top members of the state's investment staff agreed to the commitment after several assurances from the controller's office that it could make payments on the loan, and would make it a "first priority."

The first $200 million payment on the loan is due Feb. 22, and Deputy Controller John Jervis said the state will make that payment, although it is again going to run out of money in late February unless some legislative changes are made and the state can borrow again.

While certain the state could make payments on the loan, the controller's office reportedly added it could auction refunding warrants to get the money, although there was divided opinion about who would show up at the auction with the bad financial publicity the state has been getting.

Even so, Mr. Petrosino asked why the investment staff had failed to report the guarantee agreement at the board's following meeting if there was no risk.

A staff member said not putting the agreement on the agenda was an oversight, partly because no cash transaction was involved and two key men involved in the loan guarantee were out of the office when the agenda was being put together.

The spokesman also said the investment resolution at that time allowed the staff to make a decision of that sort, although it would have to inform the board of the decision afterward. Before giving the guarantee, the staff had informed the five-member investment committee, but not the full 11-member board. He added the fund's investment counsel had given an opinion that the fund could make such a guarantee.

However, a not easily assuaged Mr. Petrosino said "they failed to put it on the agenda; failed to discuss it; failed to tell board members what they were doing. They made an end run on us because they were afraid it would be denied. The risk versus the gain is not why they made the transaction," he stated, adding that the state has a strong bargaining chip—unless the state can pay its bills, many state employees could be laid off.

Mr. Petrosino said he is willing to help the state, but not willing to "sabotage the fund." Some of Mr. Petrosino's suspicions might result from the knowledge that the staff in charge of the investment of the in-house fund are state employees.

After listening to a lengthy explanation of what had happened, Mr. Petrosino called the explanation an "exotic tale" that was "totally preposterous."

In his view, the guarantee was made in an attempt to "accommo-

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". . . The board wanted to make certain thàt the system was not being blackmailed to bail the state out of its fiscal crisis, and I think it is appropriate to be concerned about that."

Niagara Mohawk revamps funds

New design ties investments to liabilities through use of specialized portfolios

By Lynn Griffo

SYRACUSE, N.Y.—Niagara Mohawk Power Corp. has revamped the structure of its $330 million employee benefit fund, setting up three separate portfolios that will be based on the retirement schedules of employees.

"This current configuration is our attempt to design the investment management of the fund in relation to our pension liabilities," said Eugene Morel, vice president-risk management.

"Instead of just placing dollars out with managers, we thought about our liabilities, then built a strategy from that perspective," he added.

The largest of the three portfolios is a core portfolio consisting of a dedicated bond fund comprising $120 million—or 36%—of the $330 million in employee benefit assets.

Holdover manager Morgan Guaranty Trust Co. has been assigned to manage this dedicated portfolio (*Pensions & Investment Age*, Dec. 6, 1982), which covers all Niagara Mohawk employees who retired up until January 1982, Mr. Morel said.

In addition, the company has established a second portfolio that will cover employees retiring between January 1982 and five years hence, Mr. Morel said.

This second portfolio will be run by holdover managers Marine Midland Bank and NSR Asset Management, he said, and they will be running fully discretionary accounts.

Assets in this portfolio will also be invested by two commingled real estate fund managers and a utility stock manager, he said. However, he declined to list the names of these three managers because he said the assets placed are relatively small.

The third portfolio, and the smallest in terms of assets, will be the most actively managed, he said.

This portfolio covers those employees retiring after 1987.

Niagara Mohawk has hired eight small money managers to run this portion of the employee benefit funds, he said.

Of the eight managers recently selected, the majority are active equity managers, he added.

Because of company policy, Mr. Morel could not disclose the names of the eight new managers. However, Mr. Morel could say the eight managers range from having total assets under management from $50 million to $300 million.

Collins Associates assisted in the search. ■

CDA study

Half of in-house funds bettered the S&P 500

SILVER SPRING, MD.—Half of the internally managed funds for which corporations report their holdings to the Securities and Exchange Commission appear to have beaten the Standard & Poor's 500 stock index in 1982, according to Computer Directions Advisers Inc. here.

CDA calculated the performance of the portfolios based on their holdings at the end of each quarter and found the median return for the 70 funds surveyed was 21.9% compared with 21.6% for the S&P 500.

The highest returns were among funds that held very undiversified portfolios, with many having only one stock. For example, an $81 million portfolio managed by Sears, Roebuck & Co. that had only six stocks was up 92.9% for the 12 months ended Dec. 31, according to the CDA calculations.

CDA notes the performance figures are calculated by "freezing" the portfolio at the beginning of a quarter and then calculating the performance at the end of the quarter based on that portfolio. Thus, the performance calculation ignores transactions during the quarter. It also does not take account of cash holdings.

In addition, companies are not required to report holdings of less than 10,000 shares and $200,000, although many do. And in some cases, holdings of internally managed pension funds, corporate portfolios and even foundation holdings are reported as one.

Among the top internally managed portfolios were those of the Gannett Foundation, up 83.5%; the General Electric Foundation, up 73.4%; the Richard King Mellon Foundation, up 39.4%; and the Robert Wood Johnson Foundation, up 35.8%. Each held only one stock.

Among the more diversified portfolios near the top of the list was that of Berkshire Hathaway Inc., controlled by investment wizard Warren Buffett, that held 24 stocks valued at $928 million and was up 44.9%.

Other top diversified portfolios included those of TransAmerica Corp., 25 stocks, up 41.9%; Pitcairn Co., 42 stocks, up 34.9%; the Kresge Foundation, 44 stocks, up 33.3%; and NLT Corp., 37 stocks, up 30.5%.

A number of university endowments also had good investment results according to CDA's calculations, including the Massachusetts Institute of Technology's $107 million portfolio, which was up 29.2%. Other top endowment portfolios included the University of California's $2.6 billion portfolio, which was up 29.1%; the University of Pennsylvania's $119 million portfolio, up 26.1%; the Duke Endowment, up 25.7%; and the University of Texas' $624 million portfolio, up 21.4%.

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Inhouse Portfolio Returns

(for year ending Dec. 31, 1982)

Name of fund	No. stocks held	Portfolio value ($ million)	Return (%)
Sears, Roebuck & Co.	6	81	92.9
Hewlett Foundation	1	310	85.0
Gannett Foundation	1	268	83.5
G.E. Foundation	1	10	73.4
Berkshire Hathaway	24	928	44.9
TransAmerica Corp.	25	20	41.9
Mellon Foundation	4	114	39.4
Johnson Foundation	1	987	35.8
Edward R. Hintz	38	79	35.1
Pitcairn Co.	42	316	34.9
Kresge Foundation	44	184	33.3
Capital Group	14	14	31.2
NLT Corp.	37	146	30.5
MIT	30	107	29.2
U. of Calif.	78	2,648	29.1
Lawrence Coolidge	203	140	29.1
Elfun Trusts	79	177	28.5
Standard Oil (In.)	75	313	28.4
Firestone Pension Plans	73	217	28.3

Managers reassess allocations

By Steve Hemmerick

LOS ANGELES—Some top U.S. money managers doubt the United States will suffer from further sharp deflation, and doubt any significant reflation will occur until toward the end of this year or later.

With those forecasts, several balanced managers contacted said they have made their asset allocation decisions favoring stocks. A couple said they are moving toward favoring stocks, but temporarily are overweighted in bonds expecting to make further gains in that market on a possible 100 to 200 basis point further drop in interest rates.

The third quarter of last year showed how helpful or how damaging asset allocation decisions have become. In that quarter, many managers got caught in the cash markets, and more than half of one 254-member sample of money managers found themselves not only way behind the bond indices in performance, but also trailing the Standard & Poor's 500.

Many public funds, locked into the bond market by law, shot past the more trendy corporate pension managers. For the year, the stock market also offered wide potential for those in it, said Bill Kennedy of INDATA, Atlanta and Southport, Ct. Out of 44 industries, 35 were up.

In several interviews, chief investment officers differed somewhat on timing and emphasis, but they seemed to agree on some major points.

They apparently believe the Federal Reserve Board, fearing a major world liquidity crisis perhaps brought on by a new economic relapse here, will continue easing monetary policy.

They believe the greater risks exist on the downside, and even if the Fed continues to "prime the pump", the U.S.

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U.S. cash management . . .

Continued from page 1

borrowed. Russell Morris, assistant commissioner in the Treasury Department, and William M. Henderson, executive director of the cash management staff at the OMB, flew to Atlanta to appeal to members of the National Corporate Cash Management Association for ideas and assistance, and to suggest ways and means in which the OMB and the Treasury Department can begin to tackle this mammoth task.

"I just find it really silly. We are writing checks for $200 million and $300 million and just dropping them in the mail. I don't know if we are receiving checks that size, but I think so. In 1982, it's insane to be having those kinds of checks in the mail. We have got to agree to pay each other in a reasonable way," said Mr. Morris, who was formerly cash manager for the Postal Service.

Bureaucratic inertia

The picture he painted was a familiar one of bureaucratic inertia, ineptitude and plain disinterest.

And according to Mr. Henderson, one of the greatest problems faced is how to break through the political controversies surrounding public payments policies, not to mention the exploitation of the time value of funds by the 100 government agencies that are privileged to handle the collection or disbursement of public funds.

"Frankly, the federal government is not renowned for its pioneering in cash management areas," Mr. Morris joked.

"We have a kind of a little in-joke around financial managers in government about whether the question of federal cash management is a contradiction in terms.

"Well, it's not. It has existed for many, many years in a variety of forms, but a number of things have happened over the last 15 years that have caused us to be behind large corporations and small corporations in implementing more modern cash management systems."

A major difficulty, he said, was the federal programs themselves had grown so fast the financial management systems have not been able to keep pace.

The White House unit is tackling the problem from a number of angles.

Targeted payment dates

One involves a program to specifically target payment dates on items such as housing and development bonds, where it is of the utmost importance that payments of principal and interest be made by a certain date.

The practice has been to mail out checks 15 days in advance, and it was quite usual for the checks to arrive before the 15 days were up. The paying agent had funds available while the government was paying the interest.

A new program using the automated clearinghouse, an electronic payments mechanism operated among banks, will end the free float the government has been paying out for years.

"The payees do not always approve," said Mr. Morris. "They have had this 10- and 12-day float for years and years and they think they are being robbed, even though they are being paid a transaction fee that fully covers the cost of the transaction."

Mr. Henderson said another problem the unit is trying to tackle is the size and complexity of the government's cash flows, the lack of a cash management orientation and congressional inaction.

In the fiscal year 1982, which ended Sept. 30, the federal government collected about $750 billion and dispersed $800 billion—a total cash flow of about $1.5 trillion. On the collection side, taxes alone flowed in through more than 15,000 banks and financial institutions. The Treasury uses 700 commercial banks for general government deposits.

On the payments side, there are 29,000 certified officers around the world who can certify payments against Treasury accounts.

"Control is not in the Treasury. We have got hundreds and hundreds of agencies out there doing their own thing," said Mr. Henderson.

"The second problem is that federal agencies have historically been more concerned with program purposes, and federal managers at the line level really have no incentive to manage cash well because they incur no penalty for poor cash management."

The final problem, according to Mr. Henderson, is that many trouble spots are protected by legislation. Although many attempts to rationalize systems had been made in the past five years, Congress, through the legislative process, often has prohibited the OMB from moving forward, he said.

"For example, there is one industry we've been trying to convert from check deposits. They deposit very, very large tax collections by checks usually drawn all over the country. We've been trying for four years to put them on wire transfer and we now have a legislative prohibition from converting from check to wire transfer for those particular deposits," he said.

To deal with the inertia and agency resistance, the Treasury Department and the OMB have been working together, setting up educational programs and visiting agencies in a bid to get their acceptance.

Senior-level responsibility

In the past, Mr. Morris has packed a suitcase and personally visited agencies to sell them on new cash management techniques. Often the agency head will tell him to go away because it will cost them money to implement a new program, said Mr. Henderson.

But as part of the new effort, each agency is now required to provide the name of a senior-level policy official who has responsibility for setting up an aggressive cash management program.

"Of course, this will be an official that the White House can hold accountable," Mr. Henderson said.

"So we ourselves are in on this project providing some leverage to the Treasury, working through the new Cabinet Council of Management and Administration and through the President's Council of Integrity and Efficiency. And what we intend to do is, I guess in a very polite way, to force an upgrading of cash management systems within the agencies."

The OMB has asked the agencies, possibly for the first time on such a scale, to provide an inventory of all their receipt and disbursement activities, identifying dollar amounts and processes.

"At the same time, they are supposed to be providing us with a detailed action plan for resolving the cash management deficiencies or issues that we know about," Mr. Henderson said.

"Further down the road, we are going to be looking for ways to institutionalize sound cash management in the federal government either through policy changes, process changes, organizational or personal incentives.

Other changes already under way concern making certain interest is received on idle funds.

There are, for example, a number of different programs where the U.S. government has joined co-production agreements with foreign governments to produce weapons systems jointly. In these, a tank or a missile is to be developed at a high cost, and each government pays funds into a pool from which the project is financed.

These pools can be earning interest, Mr. Morris said, and as a result, the OMB finds itself in conflict with the program agency involved that prefers to fund the entire project up front, he said.

"The interest earned on that pool of funds will enable them to buy more airplanes. Our perspective is that if they want to buy more airplanes, they ought to go ask Congress for more money, and it shouldn't be the interest on the federal debt that funds it," said Mr. Morris, adding that a program had been devised to improve such international arrangements.

Collection and disbursement

Improvements on collection and disbursement is another area the unit is working on.

The largest single cohesive cash management entity under the Treasury is the Treasury tax and loan accounts system. This is a mechanism for making tax payments, and essentially all commercial banks participate—more than 14,000 depository organizations accept corporate tax payments. The documentation and funds are sent to the Internal Revenue Service, which can either pass the money along to the Treasury through the Federal Reserve or can hold the funds.

Beginning in April, all such taxes will be paid directly to the banks rather than being paid to IRS service centers, a move intended to expedite processing at the IRS.

A second large government cash management mechanism on the deposit side is the Treasury general account system, a depository system that consists of about 750 deposit points around the country.

Historically these banks were chosen for their convenience, but costs vary widely among banks so the choice of bank is now being switched to a competitive bids system.

"We have found that competitive selection does pay off, not only in terms of item costs in transactions, but in availability schedules. I am sure that all of you are well aware of the competitive nature of the banking industry in respect of availability schedules and we think that for these large accounts we have been successful," said Mr. Morris.

Treasury lock boxing

A third kind of receipt mechanism now under consideration at the Treasury Department concerns lock boxing, which has existed since 1948 as a tool to speed up the flow of funds into corporate coffers, although the first federal government lock box was opened only a couple of years ago.

"I am not sure why it took us so long to get in that business," said Mr. Morris, citing problems concerning the ability of one lock box point to handle the huge volume of government transactions without creating a new industry in the area. As a result, the program will go forward gradually, he said.

But another problem faced by the Treasury Department in introducing this most basic of cash management tools is that each agency has its own accounting system. Not all 100 agencies will have lock box applications, said Mr. Morris.

"However, many will have what you may consider strange and unusual data requirements because of the laws that underlie their programs. They have to maintain data that perhaps corporate customers do not have to maintain," he said.

"Another problem is that the government's financial systems have really not kept pace with their programs. Banks might find themselves trying to interface with a 1965 computer, or an even older one," he said.

Privacy legislation has been another big stumbling block. Although it seemed at first that taxes would be an ideal application for the advantages of lock boxing, Mr. Morris said, prohibitive legislation exists to confound the issue.

"The IRS would never let you the banker, or you the third-party processor, look at my tax return, so they are obliged to open those envelopes and deal with the checks, and it may be a less efficient way, but it is one of those public policy issues about the privacy of your relationship with the government," he said.

But despite the setbacks, Mr. Morris said that within a few years, and certainly within five years, an effective cash management system will be introduced throughout government departments.

Both cash managers said that under the Reagan administration, cash management has become a very high priority.

"It is very hard to justify cuts in federal programs when the federal government itself is wasting money due to sloppy procedures or inefficient cash management procedures," explained Mr. Henderson.

"David Stockman . . . recognizes that the federal agencies, by managing better the cash that we collect, hold and disburse, will have the effect of reducing the deficit, so there is tremendous commitment now within the administration to improving cash management," he said.

"But the goal, as simple as it may sound, is not going to be easy to achieve in the federal government."

Mr. Morris added: "It is something you should be proud of as taxpayers and will probably resent from a business point of view. Some of the gravy isn't going to be there anymore," he said. "But you are going to get paid on time." ■

In-house funds . . .

Continued from page 3

A $313 million Standard Oil of Indiana portfolio was up 28.4%, while the Firestone pension plans' $217 million portfolio was up 28.3%, a $372 million Atlantic Richfield portfolio was up 27.8%, and Gulf & Western Industries' holdings of 100 stocks valued at $912 million were up 26.7%.

The California Public Employees' $3.9 billion equity portfolio was up 25.8%, while the Texas Teachers Retirement System's $2.2 billion portfolio was up 25.6%, the Ohio School Employees Retirement System's $238 million fund was up 24.4% and the Maryland State Retirement System's $992 million portfolio was up 22%.

Other pension fund portfolio results include Sperry Capital Management, up 20.4%; the New York State Teachers Retirement System, up 20.3%; the Bethlehem Steel Pension Trust, up 18.3%; the General Electric Pension Trust, up 18.3%; and the Illinois State University Retirement System, up 17.5%. ■

New oil and gas offering

By Nancy Webman

DENVER—Although other oil and gas offerings to pension funds have delayed their closings or been withdrawn from the market, three Denver men think they have a deal that will buck the trend.

Chris Woessner and Richard Allen, principals of real estate investment adviser Rocky Mountain Investors, and William Sikora, a certified public accountant in the oil and gas industry, are general partners in Pension Fund Investors. They are offering a $50 million limited partnership that will operate as a commingled acreage and acquisition fund.

According to Mr. Woessner, Pension Fund Investors is likely to succeed where others have stumbled or failed because its structure is unique.

"It is the only one that is all, or almost all, lease acquisition," he said.

"The others have a maximum of 20% allocated for that function . . . We're not trying to be all things to everybody by engaging in four or five activities," Mr. Woessner.

In his deal, he said, at least 90% of the money will be invested in lease acquisitions; the remainder will be used to buy production.

The partnership will make five-year loans to independent oil and gas operators to acquire acreage.

The five to 10 operators the partnership will deal with will be required to roll over the money at least every 18 months.

Loans will be made at below market rates, but not less than 75% of the prime rate.

Because of the "discount," the fixed rate of return to the pension funds will be lower than on some other oil and gas deals. However, said Mr. Woessner, overriding royalties on each lease acquired by the operator will more than compensate for the lower interest rate.

"The below-market rate is an incentive to get to the kind of independent we want to deal with.

"For the pension fund, the return will not be from the interest, but from the royalties," he said.

Each operator should turn over his loan about three times during the five-year period. As a result, Mr. Woessner said, the limited partnership gains three overriding royalties from its investment, rather than just one.

The general partners are predicting returns of 27.2% annually, a figure based on a computer model prepared by Keplinger and Associates Inc., a large petroleum engineering firm.

Fees include a 1% one-time origination fee and an annual management fee of 1.5% of a pension fund's investment. Revenue sharing on the interest income will be 99% to the limited partners and 1% to the general partners.

On the royalties, the split will be 85% to the pension funds and 15% to the general partners.

Mr. Woessner said the partnership will be dealing with medium and large independents who do not have sufficient acreage and who, because of reduced cash flows, no longer make lease acquisition a priority.

C2710-2 2/28/83

Pensions & Investment Age

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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • February 21, 1983

Termination of plan key to restructuring

Political ally helped clear flight path

By Joel Chernoff

WASHINGTON—Financially strapped Western Air Lines Inc. enlisted the political clout of Sen. Orrin Hatch, R.-Utah, to help it win approval of the termination of a pension plan so it could recapture more than $20 million in excess plan assets.

Recapturing the excess was a critical part of Western Air's financial restructuring, with $75 million in new financing hinged on it.

The financing deal might have collapsed without favorable rulings from the Internal Revenue Service and the Pension Benefit Guaranty Corp. on key benefits that were amended out of the plan just prior to termination.

But before the financially troubled company could get those rulings, it had to enlist the aid of Sen. Hatch, who presented the firm's case to a bevy of senior-level administration officials, including Treasury Secretary Donald T. Regan and Labor Secretary Raymond J. Donovan.

Sen. Hatch was attempting to help rescue a company that had recently moved its hub of operations to Salt Lake City, and is a major employer in the state.

Ultimately, Western was successful, and tied up the financing deal in early January. The reversion of assets came a little later

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Doug Love:

Hedge operating risks with pension assets

By Steve Hemmerick

SAN FRANCISCO—The major stockholders, not the employees, bear the major risk not only for the operating company but also for the investment of company pension assets, said Douglas Love, a senior vice president with Buck Consultants, New York.

Consequently, he suggests a company could "intelligently" use its pension assets to hedge its own operating risks.

By hedging some of those operating risks with pension assets, he said recently at a conference, the company also would hedge risks for those that hold major stock in the company. Major stockholders often are institutional investors.

He was asked: Isn't using pension money to hedge company operating risks at odds with statements made by advocates of social investing? "Yep," was Mr. Love's reply.

Asked why it would be fair to hedge the risks of the stockholders with pension money, Mr. Love said the investment risks of pension "trust" assets "clearly" have been shifted by Title 4 of the Employee Retirement Income Security Act to

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AT&T reorganization

Union seeks to block pension plan breakup

By Joel Chernoff

WASHINGTON—The Communications Workers of America union wants a federal court judge to disconnect the American Telephone & Telegraph Co.'s plans to break the Bell System Pension Plan for hourly workers, and its $17.3 billion fund, into eight separate pieces.

In asking U.S. District Judge Harold Greene to block the move, the union argued the breakup of the plan and its fund affects labor relations and should be subject to collective bargaining.

The breakup of the plan and fund into eight parts, spread among the parent company and seven regional operating companies to be divested in early 1984, is part of AT&T's proposed reorganization plan devised to settle an antitrust suit by the Department of Justice.

In size of assets, the hourly plan's fund is the second-largest private pension fund in the nation, only ranking behind AT&T's management plan, which has $18.5 billion in assets.

The union is trying to keep the plan and fund intact to safeguard its members' benefits and keep those benefits uniform nationwide. Moreover, it is trying to strengthen its bargaining power for negotiating with AT&T, the proposed regional operating companies and perhaps others in the growing telecommunications industry.

"It's more efficient for the company to maintain a centralized plan" than to break it up, said Duayne Trecker, a union spokesman.

The union ultimately hopes for joint administration of the pension plans, according to Mr. Trecker, who added "I think that umbrellas

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Contribution made amid California's cash crisis

By Steve Hemmerick

SACRAMENTO, CALIF.—The state made a long overdue $187 million contribution to its two largest pension funds within 24 hours of a three-judge panel's ruling that California had no right to withhold the money.

The contribution comes amid a tight cash squeeze and financial crisis in the state. California has a budget deficit of just below $2 billion, and the state's Democratic Legislature and new Republican governor have been deadlocked in recent weeks over how to lower the deficit.

The 125,000-member California State Employees Association was followed by the 140,000-member California School Employees Association in suing the state controller last spring for withholding the contribution.

The suit claimed the state unconstitutionally violated a contract with current and retired state employees when it withheld three months of pension contributions to the $18 billion California Public Employees' Retirement System and the $10 billion California State Teachers' Retirement System.

After hearing final arguments, and a six-month wait, the 3rd District Court of Appeals in Sacramento agreed with the employees.

The employees breathed a sigh of relief. Ben Allamano, chief counsel for the state employees said, "We had word the Legislature was going to take another five-month bite (in contributions) from the retirement systems. By filing the law suit and scaring them (the legislators) off, we have stopped an eight-month raid."

Deputy State Controller John Jervis said he also had heard the Legislature was taking a second look at the pension funds. The Appeals Court ruling will "put a damper" on that, he added.

The quick transfer of the money back to the retirement systems occurred because the amount had been set aside by State Controller Ken Cory, who believed the employees would win their case—and also agreed with their stand. The employees had sued the controller because of the difficulty in suing the Legislature, and because the money technically was under Mr. Cory's control.

But Mr. Jervis said Mr. Cory never thought the judge would rule otherwise.

Early last year, the Legislature approved a bill withholding the contributions, saying the money the retirement systems had set aside for deficiencies was state

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Late news

Oil and gas nets 10

DALLAS—E-Systems, Honeywell, Hallmark Cards, United Technologies Corp., and reportedly GTE Corp., Signal Cos., Xerox Corp., Rockwell International, Hughes Aircraft Co. and Atlantic Richfield Co. are the investors in Trust Co. of the West's oil and gas program.

The 10 funds pumped $100 million into TCW's first oil and gas deal, a commingled debt and overriding royalty fund. For most of them, this is their first exposure to oil and gas investments.

Kodak pension costs

ROCHESTER, N.Y.—The Eastman Kodak Co. reported it had lower pension costs because of a change in actuarial method and revised actuarial assumptions. The lower costs boosted net earnings for the year by $80 million, or 49 cents per share. Net earnings for 1982 were $1.16 billion, or $7.12 per share, 6% below the $1.24 billion, or $7.66 per share, reported for 1981. In late 1982, Eastman Kodak contributed 3 million shares of Kodak common to its pension fund in lieu of cash; the stock contribution was valued at $42 million.

Byrne retreats on plan

CHICAGO—In the middle of the mayoral primary, incumbent Jane M. Byrne backed down on her recommendation that the assets of five city pension funds, totaling $2 billion, be commingled for the purpose of investment.

Her move came in response to the strong negative reaction by the funds to her proposals, announced in late December.

In a letter to the Teachers' Pension & Retirement Fund of Chicago, Mayor Byrne wrote, "I will not include (the proposal to commingle the funds) as part of any legislative

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$50 million for plan participants

A&P captures $200 million in termination settlement

By Richard J. Gillespie

NEWARK, N.J.—The Great Atlantic & Pacific Tea Co. has won a settlement allowing it to capture more than $200 million in surplus assets from its pension fund. The agreement comes after 15 months of legal wrangling.

Ironically, A&P executives as far back as 1973 had feared that a corporate raider could take over the company, terminate the plan and use excess assets to recoup its expenses; the pension plan was then amended to state that excess assets would revert to employees.

In 1979, Tengelmann Group of West Germany acquired control of A&P in a rescue bid; the pension plan was later amended to allow the company to regain any excess assets.

U.S. District Court Judge Frederick B. Lacey approved the settlement over the objections of William I. Walsh, a retired company executive and the plaintiff representing the original class action.

The agreement was reached out of court between lawyers representing a group of employees in a class action and those representing the company.

Under the agreement, plan participants will receive approximately $50 million, enough to award them an across-the-board increase in benefits of up to 15%, according to the court.

In approving the agreement, Judge Lacey ruled the company had the right to amend the pension plan to state that all excess assets would revert to the company and not the plan participants; the amendment was made just before the plan was terminated.

A&P executives testified in court that the plan was amended in 1973 to state the excess assets should go to the employees because the company feared a "corporate raider" might, after acquiring the company, terminate the plan and take any excess assets.

In 1981, about two years after the Tengelmann Group acquired control of A&P, the plan was amended so the Tengelmann Group could take the more than $200 million in excess assets.

Of the more than $200 million reverting to A&P, $130 million was recognized as an extraordinary gain in its 1981 earnings. A further $70 million will accrue to the company upon termination for accounting purposes.

James Wood, chairman and chief executive officer, had said in an affidavit that $130 million of the proceeds of the termination was needed to ensure the survival of the company.

Mr. Walsh did not approve the settlement and might appeal, although a spokesman for Shea & Gould, a law firm representing the plaintiff class, said such an appeal was not likely. Shea & Gould had broken with Mr. Walsh over the settlement.

In his opinion, Judge Lacey concluded that under Section 8 of the document, the company's obligations to its retirees extend only to the plan liabilities. He said "liabilities" prior to termination could not

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$4 billion Alaska permanent fund to diversify into new investments

Bulk is now in Treasury notes, CDs, banker's acceptances

JUNEAU, ALASKA—The Alaska Permanent Fund will be looking at new ways to invest its $4 billion in assets now that it has been established as an organization independent from the state treasury.

The fund, which receives 25% of state oil royalties expected to add $400 million, is an endowment set up to help the state financially now and in the future. It made national news last year when some of its interest income was used to give each state resident a check for $1,000.

The bulk of its assets is invested in Treasury notes, certificates of deposit and bankers' acceptances. But the fund's trustees are expected to discuss future investments in equities, corporate bonds and real estate in and outside of Alaska, according to David Rose, the fund's new executive director.

This is the third time Mr. Rose will help establish a major organization. He is the former executive director of the Alaska Municipal Bond Bank and an executive with the Alaska Industrial Development Authority.

Picked as the new controller for the fund is Peter Bushre, former Alaska deputy commissioner of revenue—an appointed position but equivalent to state treasurer in other states.

A replacement for him has not yet been named by Gov. Bill Sheffield.

Trustees of the fund are some of the top businessmen and officials in Alaska. They include Byron Mallott, chairman and chief executive officer of Sealaska; George Rogers, economist; Arnold Espe, chairman of Alaska Pacific Bank Corp.; Norman Gorsuch, state attorney general; Steve Cowper, an attorney who had sought the Democratic nomination for governor; and Robert Heath, new state commissioner of revenue. Mr. Heath recently had been chief administrative officer for Western Airlines.

If and when the fund moves into real estate, it is likely to look at equity and debt "on a pooled arrangement or joint venture basis," according to Mr. Rose.

The principal of the fund is left untouched, and the fund is allowed to keep an amount earned that would be equivalent to the impact of inflation on the fund, according to Mr. Bushre. ■

Peter Bushre: New controller for the Alaska permanent fund

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Vol. 11, No. 4—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Late news

Continued from page 1

package that will be prepared to enact the various recommendations." In the same letter, the mayor said she had reviewed her proposal on setting up an investment board with discretionary power over the funds, and is now suggesting the board only act in an advisory capacity.

Unisex study results

WASHINGTON—A recently completed Department of Labor study has estimated the cost of unisex benefits to the nation's public and private pension plans could run as low as $85 million or as high as $1.7 billion annually, depending on the remedy required. These cost estimates are expected to be presented in hearings this week on Rep. John Dingell's bill, H.R. 100, which seeks to eliminate sex-based pension and insurance benefits. The estimate under the highest-cost scenario, where both current and future retirees' benefits would be equalized retroactively, and no employee's benefits lowered, is $1.7 billion, according to Marguerite Connerton, senior Labor Department economist who conducted the study. This figure is far below the often cited $5.5 billion estimate made by the American Academy of Actuaries.

Yale aids renovation

NEW HAVEN, CONN.—Yale University, the city of New Haven, Aetna Life & Casualty Co., 10 local banks, a private foundation and another insurance company are investing $23 million in a $28.7 million redevelopment of a downtown shopping center here by the Rouse Co. of Columbia, Md.

Rouse is putting in $1.7 million and is also buying a $5.7 million assumable mortgage from the New York State Teachers Retirement System. The developer agreed to pay the balance owed on the 30-year mortgage, which the pension fund originally lent to finance Chapel Square Mall built in 1962.

Of the $23 million in new financing, Yale's $900 million endowment fund put in $1.5 million of the $16.5 million raised from 14 private sources. According to David K. Storrs, Yale's director of investments, it receives a base interest rate and a percentage of excess cash flow on the 25-year loan.

Pan Am deferral OK'd

NEW YORK—Pan American World Airways has been given the go-ahead to defer pension payments amounting to $133 million due on Sept. 15, 1982.

This is the second waiver of pension contribution payments given to Pan Am by the Internal Revenue Service since 1981.

Information on this recent pension deferral was contained in Pan Am's $150 million debt offering prospectus, offered Feb. 10.

Beginning in April, Pan Am is required to make monthly payments of $12 million to an escrow fund to cover its 1982 pension fund contributions.

M.D. Sass hires Fine

NEW YORK—M.D. Sass Investors Services has hired Richard Fine as a vice president and portfolio manager, according to a spokesman.

Mr. Fine joins Sass from Sanford C. Bernstein & Co., where he was a senior portfolio manager and helped develop investment policy and investment strategy.

PBGC penalty rule

WASHINGTON—The Pension Benefit Guaranty Corp. has proposed that the interest rate charged employers on late payments to a multiemployer pension plan for withdrawal liability be based on the prime rate.

The proposed rule, which also would apply to defaults on withdrawal liability payments, would set the interest rate on the average prime rate on short-term commercial loans, as published by the Federal Reserve Board.

Under the Multiemployer Pension Plan Amendments Act of 1980, an employer withdrawing from a multiemployer plan generally is liable for part of the plan's unfunded vested benefits.

Separately, the PBGC proposed making it easier for buyers and sellers of company assets to avoid certain withdrawal liability problems. Under the proposal, the buyers and sellers would be exempt automatically from bond/escrow requirements and sale-contract rules if they notify the PBGC and meet one of three criteria.

The pension law allows that withdrawal liability will not occur in a sale of assets if those requirements are met. The provision mostly benefits smaller firms.

Real estate increased

OKLAHOMA CITY, OKLA.—Kerr-McGee Corp., with $135 million in actively managed pension assets, increased its commitment to real estate with Wachovia Bank & Trust Co., N.A., Winston-Salem, N.C., according to H.H. MacPherson, manager, investment and financial analysis.

The pension fund has been investing in Wachovia's open-end commingled real estate fund since October 1981. The fund is oriented to industrial properties scheduled for development or already partially developed, he said. Mr. MacPherson said the additional assets came out of cash flow, but did not specify the amount.

Chase, Daiwa join for growth firm investing

NEW YORK—Chase Investors Management Corp. and Daiwa International Capital Management Co. have combined to invest $35 million of Japanese institutional assets in U.S. small capitalization growth companies through a unique investment vehicle.

The assets from the Japanese institutions, which include 10 of the 20 Japanese life insurance companies, property and casualty insurance companies and trust banks, are expected to grow to $50 million by the end of the year. They include Japanese pension assets managed by the life companies and trust banks.

According to Larry Weber, vice president at Chase Investors Management, the investment vehicle looks like a private placement of an open-end mutual fund, but the shares held by the institutional investors are floating-rate preferred stock. This is to meet the Japanese institutions' needs for income rather than capital appreciation.

Each year, according to Mr. Weber, a dividend payment will be negotiated with the investing institutions, and the dividend will consist of interest, dividends and rea-

Continued on page 33

Trust departments lend securities for clients

Lending hits $5 billion despite uncertainty

By Lynn Griffo

NEW YORK—Eight leading banks lending securities for master trust, custody and employee benefit clients have about $5 billion out on loan on behalf of those clients, according to a recent *Pensions & Investment Age* survey of banks.

And the securities lending business has been particularly brisk since Chase Manhattan Bank got out of lending for clients after the collapse of Drysdale Government Securities.

Nonetheless, the extent of a banks' responsibility and liability for collateral in the event of a securities firm bankruptcy remains unresolved.

For pension funds, securities lending became in vogue two years ago when the Department of Labor gave the greenlight for funds to lend securities on a portion of a portfolio in order to earn additional income. Major master trust banks, at that time, began offering securities lending programs for their pension fund clients, in addition to other public, endowment and foundation fund clients.

Then last summer, the Chase Manhattan/Drysdale Government Securities affair raised issues concerning bankruptcy, when Chase had to make good on loans after Drysdale defaulted on an interest payment.

Those involved in lending began to question whose collateral—the lending institution's or the lender's—is out on loan if a brokerage firm goes under.

Ironically, because this is a legal issue involving bankruptcy laws, the question probably will not be resolved for some time or until another brokerage firm goes under and there isn't a well-capitalized bank, such as Chase, to cover the payment.

But despite the uncertainty, a survey of banks—Bank of America, Bankers Trust, Citibank, Harris Bank, Irving Trust, Manufacturers Hanover Trust, Northern Trust and State Street Bank & Trust—revealed a brisk securities lending business, and some said it increased considerably since Chase terminated its program in the wake of the Drysdale affair. (Chase since has announced plans to restart it.)

Alvin Kuhn, vice president at Bank of America, said its securities lending business has increased as much as 300% since Drysdale.

While this percentage increase is atypical and not expected to continue once Chase gets back into lending, (*P&I Age*, Jan. 10), a marked interest in securities lending still exists from pension funds, master trust and custody clients.

Specifically, according to sources, the action in lending is heating up in the state and county pension fund markets.

Irving Trust, for example, recently won the Hawaii Employees' Retirement System account. In addition to winning the account containing more than $1.5 billion in assets, Irving also gets a negotiable securities lending portfolio consisting of 75% of that figure.

Citibank will be running a securities lending portfolio for the New York City Retirement System, which is starting a lending program of about $3.5 billion to $4 billion in the next few months (*P&I Age*, Jan. 24)

Two years ago, marketers for lending institutions avidly sought out the huge assets available for lending from employee benefit funds and won accounts by stressing the "riskless," easy-money, aspects of the game.

At the time, many a tale was told of the potential to earn impressive figures through securities lending, with an annualized 300 to 400 basis point return not at all uncommon.

In retrospect, sources said, although the spreads both the lending institutions and the lenders can earn have halved, and even the unlikely "worst case" scenario of a brokerage firm going under hit too close to home for some, securities lending remains a viable avenue for a sizable pension fund if the risks and rewards are adequately analyzed beforehand.

The eight banks contacted in the survey said lending continues to be a worthwhile accommodation for clients and the service will be offered as long as there's enough of a spread there to warrant offering the additional service.

"Before February 1981, there wasn't a lot of supply and the margins were pretty high," said Allan Martin, vice president and trust head at Bankers Trust. "Once pension funds got into it, it was expected the margins would decrease, and they did."

But he added: "We don't see people flocking back into the market, so there's enough return there to warrant the securities lending program," Mr. Martin said.

Bankers Trust uses a prorate queuing system for its lending program.

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Trust department securities lending

	Amount out on loan ($ millions)	*Total lendable portfolio ($ millions)*	*Number of brokers dealt with*	*Number of employees in lending unit*
Bank of America	550	5,000	20	12
Bankers Trust*	350**	2,000	9	11
Citibank	800	7,500	26	21
Harris Bank	550	4,000	20	12
Irving Bank	500	6,500	46	20
Manufacturers Hanover	900	5,000	60	24
Northern Trust	800	8,000	1st tier	16
State Street Bank	na	5,000	15***	15

**Only lends corporate securities figure.* ***Includes only employee benefit clients.* ****All in top 40 in terms of capitalization.*

High '82 returns mean only modest pension cost drop

But gains may show up in corporate financial statements

By Steve Hemmerick

LOS ANGELES—Sharp appreciation in assets held by pension plans last year may result in some corporate financial statements showing greatly reduced unfunded pension liabilities—or no unfunded liabilities at all.

But chief financial officers generally can expect only modest reductions in pension contributions this year, actuaries say.

According to actuaries, sharp increases in the value of pension assets won't mean sharp drops in company pension costs. The reason for this is, in part, because the actuarial gains made are averaged for 15 to 20 years within the company. The public often is confused about unfunded liabilities, and actuaries explain many factors make it appear confusing.

> *"A $10 million increase in value may well filter down to only a $300,000 change in the cost of the first year"*

Henry Erk, an actuary with the consulting firm Meidinger Inc., said, "There are a lot of different unfunded liabilities. There is the one that is reported on the notes to the financial statements, which just reflects accumulated benefits to date vs. market value of assets; and there is the unfunded liability that may be used for funding purposes that is normally a totally different number."

When the markets are bad and salaries are high, the unfunded liability appearing on the financial statement might go up sharply, but the internal "smoothing" process used inside the company to fund pension benefits would be much less affected because it views pension costs from a long-term perspective. That perspective avoids "wild gains or losses" that might show up for a particular year.

James Biggs a principal with Peat, Marwick, Mitchell & Co., said, "If you are focusing on the number that appears in the notes to the annual statement, you are going to have a lot more companies that will have no unfunded value of accumulated benefits, or a significant reduction in the amount" as a result of 1982 market gains.

However, he said, it is the "gross liability" the actuary calculates, for funding takes in account such factors as future salary increases, and this is balanced against the "smoothed" value of assets.

As an example, Mr. Biggs said a particular pension plan might get $10 million in appreciation in one year.

However, "You might only recognize $2 million of that $10 million this year in your asset value, and then only 15% of that $2 million is directly deducted from the current year costs so that a $10 million increase in value may well filter down to only a $300,000 change in the cost of the first year," he said.

It might result in only a $300,000 change in the first year because the $2 million will be amortized over 15 years.

He explains a company could be using a five-year average in its asset value, and then amortize the gains from the five-year average for a 15-year period.

"What will happen," he said, "is that the effect will start small in the first year. You will get a bigger effect in the second year, bigger in the third, bigger in the fourth and fifth year."

In that fifth year, the effect whether good or bad, will remain steady through year 15, and then taper off in the next four years. Nineteen years are involved because the fifth installment under the five-year averaging process will be amortized itself over 15 years.

A situation where dramatic reduction in pension costs might

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January moves

Investment shifts total $9.5 billion

By Lynn Griffo

NEW YORK—Pension sponsors made investment management changes involving more than $9.5 billion reported in January.

A surprisingly large amount of the assets went the alternative investment route, with international money managers and real estate managers garnering a respectable chunk of the money *Pensions & Investment Age* tracked in its January issues.

The big international news in January was General Motors Corp.'s reported hiring of 10 managers amounting to a move of $250 million to these managers, sources said.

Also on the international scene, Rexnord Inc. hired two managers to run about $20 million in international markets.

Much of the excitement reported in January centered around a few huge public and corporate pension funds making wholesale manager hirings.

The Minnesota State Board of Investment hired 15 equity managers to run $590 million, Levi Strauss & Co. added six for stocks, Singer Co. chose four, W.R. Grace & Co. selected four for equities and the Maryland State Retirement Systems selected five specialty growth-stock managers to run about $135 million in assets.

On a more unique note, other hirings of interest involved Citibank being tapped to run a $3.5 billion to $4 billion securities lending portfolio for the New York City Retirement Systems and Bankers Trust's hiring to run the California Public Employees Retirement System's modified index stock fund for an estimated $1 billion to $3 billion in assets.

Below is a list of hirings of managers and the clients they picked up, as reported by *P&I Age* in January. Not all amounts were available.

ABD International Management Corp.

Rexnord Inc.-international; about $10 million.

Aldrich, Eastman & Waltch Inc.

International Union of Operating Engineers-real estate; approximately $75 million.

Fred Alger Management Co.

Minnesota State Board of Investment-equity; $50 million.

Alliance Capital Management Corp.

Minnesota State Board of Investment-equity; $50 million.

Avatar Associates

Singer Co.-equity.

Bankers Trust Co.

California Public Employees Retirement System-stock index fund; $1 billion to $3 billion.

Baring International Invest-

Continued on page 28

Cash Management

New feature tracks Fortune 100 cash positions

3rd quarter cash holdings are $43.5 billion

By Richard Gillespie

With this issue, Pensions & Investment Age *will begin keeping tabs on the cash and short-term positions of the 100 largest industrial corporations in the United States.*

The data is being supplied by Wright Investors' Service of Bridgeport, Conn.

The reports will appear on a quarterly basis in the future.

The figures in this issue date from the end of the third quarter. In April, P&I Age *will report figures for year-end 1982.*

The data show which companies have cash and which do not.

More particularly, figures showing the 10 largest portfolios, the 10 largest percentage year-on-year increases and the 10 largest percentage decreases, will be published quarterly.

NEW YORK—Ninety-one of the Fortune 100 companies held a total of $43.5 billion in cash and marketable securities at the end of the third quarter 1982.

That is down 0.68% from $43.8 billion reported at the same time in 1981, according to a *P&I Age* survey. Data on the Fortune 100 is supplied by Wright Investors' Service. Data on 10 of the companies was not available.

The cash holdings of the five largest corporations on the list, with a combined total of $11.7 billion, were 10% higher than on the same date in 1981. The 10 largest, with more than $18 billion, showed a 30% increase, while the bottom five corporations lost 13.5%, and the bottom 10 lost 11%. The cash portfolios of the 10 corporations in the middle of the Fortune 100 dropped by an average of 11%.

The trends are somewhat reversed for the quarter-on-quarter figures, with an 11% decline from the previous quarter for the top five corporations, and an 8.7% decline for the top 10; the bottom five were up 12.5% from the previous quarter, largely due to Anheuser-Busch Cos.; and the bottom 10 were up 1.5%.

Although large increases in cash holdings may indicate a more efficient cash system, experts warn cash holdings should not be looked at in isolation.

Scott Black, president of Delphi Capital Management, Boston, noted companies play around with their balance sheets, dressing them up for reporting purposes.

This means the reported figures do not truly reflect actual corporate liquidity, he said. In an analysis of corporate liquidity, Mr. Black advised looking at the cash position netted against liabilities, or taking the "free cash flow," which shows the source and application of funds.

Fundamental and cyclical economic changes also would distort the figures over time, as would cash flow requirements, which vary from quarter to quarter.

In addition, many corporations pay out their pension contributions at the end of September, affecting the Sept. 30, 1982 figures.

Some of the larger movements in the cash holding figures resulted from takeover wars. U.S. Steel had $803 million available, down from $2.3 billion in 1981, but had acquired Marathon Oil in the process.

LTV Corp. was licking the wounds from its aborted takeover of Grumman Corp., and showed only $66 million, down from $121 million the previous year.

Bendix Corp. carried the scars of the mauling it took in the four-way takeover fight that ended with its acquisition by Allied Corp. Its cash and short-term holdings dwindled to $148 million from $572 million.

Allied Corp. itself had $78 million, down from $84 million in 1981. On the other hand, United Technologies Corp. showed cash holdings of $138 million at the end of the third quarter, up 64%.

There were a number of notable upside cash positions:

- **Anheuser-Busch** holdings were up to $153 million from $14 million in 1981, a climb of almost 1,000%, as the nation's largest brewer socked away money for the later acquisition of Campbell Taggart.
- **International Paper Co.** holdings were up nearly 900% at $749 million, due to the receipt of the bulk of a $984 million payment it received for the sale of its CIP subsidiary Jan. 1, 1982.
- **United Brands Co.** holdings were up at $31 million, an increase of more than 400% largely due to an abnormal drop the previous year. The 1982 figure is more typical of United Brands' short-term position, according to a spokesman.
- **Chrysler Corp.** and **General Motors Corp.** holdings were also up 346% and 341% respectively, the result of improved earnings in the industry, according to analysts. Chrysler also sold its tank division to General Dynamics.

There were also several notable drops:

- **Republic Steel** cash and short-term holdings dropped 97.9%, the result of a $240 million loss in the year. The company recently gave stock in lieu of cash as part of its pension fund contribution.
- **Greyhound** had a drop after a decision by the corporation to abandon the practice of borrowing to improve its liquidity picture at quarter-end, a spokesman said.
- **Lockheed Corp.** holdings dropped 82% due to an anomaly in the nature of the company's cash flow, according to a spokesman. The spokesman said the position in 1981 was unusually large, and in 1982 was unusually low because the company was awaiting a payment for an aircraft.
- **Bendix Corp.** holdings saw a decline of 74%—the result of the takeover brawl. ■

Cash Holdings of Fortune 100 Corporations

	Holdings as of 9/30/82 ($ million)	% change from 1981	Company	Holdings as of 9/30/82 ($ million)	% change from 1981
General Motors	2,866	+341.6	Anheuser-Busch	153	+992.9
Exxon Corp.	2,842	−11.2	W.R. Grace	149	+36.7
Texaco Inc.	2,276	−29.3	Bendix Corp.	148	−74.1
Standard Oil (Cal.)	2,276	+70.3	United Tech.	138	+64.3
General Electric	1,949	+29.7	Consolidated Foods	126	−27.6
IBM	1,823	+1.3	Bethlehem Steel	124	−65.1
Mobil Corp.	1,503	−33.7	Caterpillar	121	+34.4
Phillips Petro.	1,463	+5.3	Dow Chemical	117	−60.2
Ford Motor	1,402	−40.5	Union Pacific	117	+18.2
Litton Inds.[4]	1,382	+19.2	Sperry Corp.	103	+94.3
Standard Oil (Ohio)	1,306	+43.0	TRW Inc.	103	−31.8
Standard Oil (Ind.)	1,269	+31.9	Goodyear Tire	97	+6.6
Atlantic Richfield	1,208	+130.1	Borden Inc.	93	−27.3
Chrysler Corp.	1,108	+346.8	Alcoa	87	−12.1
Rockwell Intl.	853	−12.7	Coastal Corp.	82	+24.2
U.S. Steel[1]	803	−65.2	Tenneco Inc.	81	+11.0
Gulf Oil	800	−43.5	National Steel	78	+178.6
Du Pont Co.	795	−37.6	Allied Corp.	78	−7.1
Raytheon Co.	776	+28.3	RCA Corp.	74	−58.4
Intl. Paper	749	+885.5	Ralston Purina	74	+85.0
Procter & Gamble	686	−4.9	Champion Intl.	69	−33.7
Xerox Corp.	685	+90.8	Continental Group	67	−35.0
Eastman Kodak[2]	622	−50.0	LTV Corp.	66	−45.5
Boeing	590	−52.6	Armco	66	+29.4
Reynolds Inds.	569	+284.5	Amerada Hess	64	−39.6
Colgate-Palmolive	568	+67.6	Signal Cos.	62	−44.6
Getty Oil	522	+16.0	CPC Intl.	53	−22.1
Sun Company	477	+47.2	Philip Morris	47	−2.1
Westinghouse	462	−36.5	American Can	47	−39.0
Union Oil-Calif.	411	+79.5	Weyerhaeuser	45	−53.1
Dart & Kraft	410	+180.8	Georgia-Pacific	36	+38.5
Gulf & Western[4]	397	−16.1	Charter Co.	32	+6.7
Johnson & Johnson	395	−0.5	United Brands	31	+416.7
Monsanto	387	−17.7	IC Industries	26	−36.6
American Home Prod.	368	−39.7	Lockheed Corp.	24	−82.2
Firestone Tire[4]	316	−16.4	American Brands	14	−30.0
Coca-Cola Co.	287	+19.6	McDonnell Douglas	8	−65.2
Texas Instruments	286	+90.7	General Dynamics	3	−83.3
Ashland Oil	282	−29.0	Republic Steel	1	−97.9
General Foods[3]	271	−2.5	Greyhound	1	−95.2
Nabisco Brands	271	+27.2	Agway	na	na
Pepsico	270	+15.4	Batus	na	na
Honeywell	262	+6.1	Beatrice Foods[3]	na	na
Shell Oil	253	+23.4	Deere & Co.[4]	na	na
Union Carbide	218	−12.8	Dresser Inds.[4]	na	na
ITT	201	+34.9	Farmland Inds.	na	na
Occidental Petro.	189	−29.7	General Mills[3]	na	na
Minnesota Mining	186	+17.7	Intl. Harvester[4]	na	na
Owens-Illinois	182	−51.5	Marathon Oil	na	na
Cities Service	165	+146.3	Western Electric	na	na

[1] Effects of Marathon Oil acquisition.

[2] As of 9/5/82

[3] As of 11/30/82

[4] As of 10/31/82

[5] As of 10/2/82

Cash notes

New advisory firm twist: it's an all-cash specialist

NEW YORK—A money management firm has opened its doors here with a new idea—to specialize in the management of cash portfolios.

Liberty Capital Management, the brainchild of two former fixed-income managers at Grace Capital Management, Ricardo Cortez and William Chapman II, is possibly the first all-cash specialist in New York. However, Scudder, Stevens & Clark in Los Angeles, and Capitoline Investment Services in Richmond, Va., also specialize in the management of short-term positions.

The founders, both former executive vice presidents at Grace Capital, also lured Jon Leader away from his job as director of client services at Tallasi Management to head up marketing. All three are managing directors.

By mid-February, 16 clients had signed up with Liberty, which then had more than $50 million under management. The client base consists of thrift institutions, savings and loans, mutual savings banks, municipalities, multiemployer plans and some cash from two corporations in Philadelphia and another in the Midwest.

"It is only in the last few years that people have recognized the need for active cash management and that is the philosophical foundation of our business," said Mr. Cortez.

The company's tack is to run portfolios composed entirely of Treasury bonds, notes and bills, and to earn a rate of return above buy-and-hold money market rates.

"The only way to do that is to extend maturities, and we can go out 10 years," said Mr. Cortez.

"When interest rates are declining and bond prices rising, we switch into notes. But at the first signs of weakness in the market, we sell the notes and switch back into Treasury bills," he said.

In 1982, this technique achieved a compound annual rate of return of 17.8% in 1982, compared with a Treasury bill rate of 12.6%, according to Mr. Cortez.

The firm plans to begin marketing to Employee Retirement Income Security Act-type accounts, but there is a problem. In an ERISA dictionary, cash is the money that has not been invested.

"We will be going to these people and saying you have an allocation for bonds, you have an allocation for equities, you should also allocate funds for cash," Mr. Leader said.

"We are excited because we think that cash is the most undermanaged pool of assets in this country. Everything is being managed except cash," he said.

The fee is 0.5% of the first $10 million, and it drops from there to 0.3% for amounts of more than $20 million.

Bad news, good news

NEW YORK—Bad news and good news for Merrill Lynch Money Markets Inc.

First the bad news: It has abandoned its packaged certificates of deposit program. It sold its last packaged jumbo CD in early February, a $10 million deal bringing its total sales of packaged jumbos to more than $1 billion since it started in December 1981.

Now the good news: It scored a major coup in the development of a new floating-rate note that Edson Mitchell, vice president, says is a good cash management surrogate.

Mr. Mitchell said the $100 million floating rate issue it did for John Deere & Co. probably will be sold out by the time this article goes to press, but there will be more like it coming out of Wall Street in the future.

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Lending hits $5 billion . . .

Continued from page 3

"From the borrowers (brokers) side, there is continued pressure to move rates downward, while the lenders feel they are low enough," said Frank Leccese, vice president in charge of Bankers' day-to-day lending operation.

"While we hear a lot about how the lendable base is expanding, our experience doesn't see that," he added.

Perhaps the most important change since the pension funds moved into lending is the increased sophistication of both the brokers and the lending institutions.

Indeed, talking about lending today involves the use of words such as credit analysis, accounting and controls, and capitalization of brokerage firms.

Now, it's not so much a matter of selling lending to a pension fund having a certain dollar figure in assets, but it involves a careful balance of the risk and reward ratio for doing it, as well as an analysis of the securities content of a client's portfolio.

Credit analysis is very important, said Larry Lynch, vice president at Citibank, even though it involves simplistic precepts like not lending $500 million to someone who is capitalized at $40 million.

"The most sought-after securities for lending are the new issue government and corporate bonds, optionable stocks, and arbitrage stocks," he said.

In response to the diminishing spreads available for lending, the banks have responded with new techniques to earn more profit.

Specifically, at Citibank for example, concentration is focused on the investment vehicle in which the collateral is invested, said Joseph Rizzo, vice president in charge of Citibank's day-to-day lending operation.

"To maximize the spread you should look at more esoteric investment vehicles, such as Nassau time deposits and Euro-CDs," Mr. Lynch said.

At State Street Bank & Trust, the securities lending unit keeps a limit on the amount of lending to any one broker—established credit limits, the amount of securities lent to a broker in any one day, plus it limits the amount of a particular stock it will lend out to a broker for the term of the loan, said Alexander Kondracki, vice president.

State Street has 15 brokers on its approved list, the second smallest list of the banks surveyed. ■

Chase, Daiwa investing . . .

Continued from page 2

lized capital gains.

Chase will be the fully discretionary manager of the fund, and Daiwa International will be the distributor. According to Mr. Weber, this is the first time a Japanese institution has appointed an American institution as a fully discretionary manager.

According to Masanori Yoshida, president of Daiwa International, Daiwa and Chase first began considering offering the fund, which is based in the Cayman Islands, because of the rapid growth of assets in the Japanese institutions.

Mr. Yoshida said that with the slowing in the growth of Japanese industry, Japanese companies were borrowing less, leaving the institutions with large amounts of assets they needed to invest.

The institutions also needed to diversify their investments outside Japan, and were interested in investing in the most rapidly growing sectors of U.S. industry.

However, Japanese security analysts were unfamiliar with the majority of the U.S. emerging growth companies, Mr. Yoshida said. Therefore, Daiwa decided an affiliation with Chase, which has a special situations fund with an excellent long-term record, offered advantages.

Mr. Yoshida said the Japanese Ministry of Finance was approached by Daiwa informally about its attitude to the proposed affiliation, and the ministry encouraged the move, suggesting investment in U.S. securities by Japanese institutions might help ease trade friction.

Until now, Mr. Yoshida said, Japanese investment in U.S. securities had been mainly in bonds and companies with large capitalizations.

Mr. Yoshida said Japanese institutions realized they needed to diversify their investments because there is a reordering of industries among countries. Even Japan has some declining industries, he said.

The Japanese institutions regard the United States as a still young and vigorous economy, Mr. Yoshida said, and still the strongest economy in the world.

Stephen E. Cantor, president of Chase Investors Management, said the new fund was likely to lead to other joint ventures between Chase and Daiwa, both in the United States and in Japan. ■

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include "surplus assets."

"The court believes it is likely that it would ultimately conclude that, prior to termination of the plan, the word 'liabilities' in Section 10.1 include only those amounts necessary to satisfy liabilities under Section 4, the 'Benefits' section, and does not embrace the amount which would remain as surplus in the event of termination," Judge Lacey said.

"Accordingly, under its amendatory power, A&P had the power to alter the plan so as to provide unequivocally that, in the event of termination, excess assets remaining after payment of benefits would go to the company," he concluded.

In a similar dispute heard by Judge Barrington Parker in U.S. District Court in Washington, D.C., in January, the court ruled Time Inc. was entitled to $4 million in surplus assets from a terminated pension plan of the now-defuct Washington Star (*Pensions & Investment Age*, Jan. 24).

In both cases, Judges Parker and Lacey said it was legal to amend the plan document to effect "surplus capture" immediately prior to termination. ■

March 10 hearing scheduled by DOL

WASHINGTON—The Department of Labor will hold a hearing here March 10 regarding its proposed class exemption for qualified professional asset managers.

That proposal would exempt qualified managers from many prohibited transaction problems under the Employee Retirement Income Security Act (*P&I Age*, Jan. 10). The hearing will be at 10 a.m. in Room 3437 A-D of the Labor Department, 200 Constitution Ave., N.W., Washington, D.C. For information, contact Paul Antsen at (202) 523-6915 after March 8. ■

Securities-lending isn't for all sponsors: study

NEW YORK—Securities lending is not for every pension fund and a plan sponsor working without the aid of an internal investment staff probably is better off not getting involved, reports a recently published Ennis, Knupp & Gold study.

Titled "To Lend Or Not To Lend: A Re-Examination of Securities Lending," the study was conducted after the Chase Manhattan Bank/Drysdale Government Securities episode and analyzes securities lending from the plan sponsor's perspective.

Although bank executives who have read the report agree with some of the statements, they dispute others, including the annual rate of return a pension fund can expect.

Ennis, Knupp notes that at one time, a plan sponsor could earn between 300 to 400 basis points on a lending portfolio (gross spread, before bank's fee). It says that now, however, funds can expect to earn only 60 to 80 basis points from lending.

However one bank official claimed the returns to funds were a little higher. The master trustee administering the lending program generally takes 40% of the earnings from lending, but a bank is typically returning 90 to 100 basis points (after its fee) to the plan sponsor, the official said.

"We currently tell our clients that they can expect to earn spreads of 150 to 175 basis points before fee, or 90 to 100 basis points net" said Allan Martin, vice president-Bankers Trust.

But several of the study's points were well-taken, sources said. The study says that pension funds should not start a lending portfolio unless the risk/reward is carefully evaluated.

In addition, the study stressed that a lender should "know thy broker," a statement hardly anyone disagreed with.

The study states, however, that it is difficult to accurately assess the financial condition of brokerage firms, many of which are held privately, because the firms' financial status can change so rapidly.

"It would seem that the only people who really understand the financial condition of securities firms are the handful of people who control them, and even they are occasionally surprised by the course of events," the study says.

However, some banking sources countered this, saying it's naive to conclude the only people who know about the financial nature of a brokerage firm are the people running it. Master trustees lend securities firms a lot of money and they know what's going on, said a bank source. "Nobody knows a company better than their bankers," he added.

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Venture cap investing plan stirs protest

By Ivy Schmerken

MINNEAPOLIS, MINN.—A number of plan participants are objecting to a plan by Control Data Corp. to invest up to 1% of its $150 million pension assets in the Minnesota Seed Capital Fund.

The Department of Labor has received 29 letters of comment on the planned investment, some of which protested the plan primarily because of the risk. The DOL currently is considering a request by the company for an exemption that would allow it to make the investment.

The exemption was sought because Control Data owns 25% of the shares of the venture capital fund and the company's chairman, William C. Norris, a fiduciary of the pension plan, owns 2.5%.

The Minnesota Seed Capital Fund was set up for the purpose of investing in new, technologically innovative small businesses with the potential of creating jobs in the state of Minnesota (*Pensions & Investment Age*, June 21, 1982).

CONTROL DATA CORPORATION

The fund provides early-stage financing and some second-stage financing to project-businesses started successfully.

The DOL is considering whether to hold a public hearing before deciding on granting the exemption. If it decides to hold a public hearing, a notice would be published in the Federal Register within the next few weeks.

Many of the letters of comment requested a public hearing. The comments raised by employees have caused difficult internal deliberations in the Labor Department, a spokesman said. Many employees objected to the risk of investing in venture capital and feared it could set a precedent of corporate attempts to make future speculative investments.

"Small business start-ups have a failure rate in excess of 80% and are not suitable for the conservative investment of retirement funds," wrote one Minneapolis-based employee.

The $500,000 to $1.5 million the company wishes to invest

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Pensions & Investment Age

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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • March 7, 1983

Beta used in assessing corporate allocation

By Pavan Sahgal

Corporate finance

NEW YORK—General Foods Corp. is applying investment management theory from the capital assets pricing model to assess risks and rewards in its various businesses.

The company has been able to use the concept of beta to help it develop a more accurate cost of capital for each of its subsidiaries, and to determine which projects are the most promising.

The capital assets pricing model describes the way risk and expected return are related in the market, and provides a clear expression of the expected returns for all income-producing assets.

Beta is a measure of market risk that shows the estimated change in a stock or equity portfolio's expected rate of return when there is a 1% change in a market index, such as the Standard & Poor's 500. It is a fundamental component of Modern Portfolio Theory.

"I would say that we are well in

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General Foods' Walsh: Assuring policies are geared to higher stock prices

Purchase foiled takeover

Grumman trustees plan sale of company stock

By Mark Westerbeck

BETHPAGE, N.Y.—Trustees of the $950 million Grumman Corp. pension fund are planning to sell their 1.2 million shares of Grumman common stock bought to forestall the fall 1981 takeover attempt by the LTV Corp.

The original purchase of the stock sparked lawsuits by the Department of Labor, the Securities and Exchange Commission and a Grumman employee charging imprudence and improper conduct, and an injunction was placed on the trustees preventing their selling the shares.

The injunction was removed at the plan's request by U.S. District Judge Jacob Mishler, and officials are now awaiting acceptance from the SEC of their plan to sell the shares.

Grumman shares have been fluctuating recently. Based on the March 1 close of 49⅝ a share, the fund stood to gain $15.25 million on its original investment of $44.3 million; the shares were originally purchased for about $38 a share. When Grumman filed with the SEC on Feb. 18, Grumman stock closed at $51.625.

Costs and small discounts given to some members of the syndicate Dillon, Read & Co. Inc. had in place to buy the stock could affect the profit, and slips in the price could delay the sale. But the trustees put the legal workings in motion because they expected a sizable return on their 16-month investment, Grumman officials said.

The lawsuits filed against the company claimed that after the trustees, all of whom are corporate officers, had ignored LTV's offer of $45 per share for 525,000 shares already in the plan, they bought another $44.3 million worth near the stock's then-peak price of about $38 per share. The suits claimed the trustees sat by as the stock lost nearly $12 million in value in six days after the stock purchase killed LTV's acquisition bid. The stock holding reportedly went down at least another $5 million before it

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Late news

Equities will be upped

SAN FRANCISCO—Investment managers expect to increase their equity commitments to 65% of assets by the end of 1983 from less than 60% at the beginning of the year. A Callan Associates survey of 113 investment management firms with assets of more than $290 billion found managers handling $300 million or more expect to increase their equity commitments to 64% by June and 65% by December. This compares with 57.5% in December 1982. Smaller managers expect to increase to 60% by June and again to 65% in December, from 50% in December 1982. The increases will come from fixed-income portfolios and cash positions.

Large managers will reduce their fixed-income holdings from 35% in December 1982 to 30% in June and 25% by December 1983. Small managers will reduce their fixed holdings from 40% in December 1982 to 35% in June and 30% in December.

CDA industry list out

SILVER SPRING, MD.—Office and business equipment stocks, hospital management stocks, electronics and semiconductor companies, and air transportation companies topped the list of industries most actively purchased by institutions in the fourth quarter of 1982, according to Computer Directions Advisers Inc. On the other hand, the institutions dumped $494 million of electric utilities, $461 million of hospital supply companies, $363 million of crude oil producers,

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Maine files objections to AT&T proposed plan split

Bell is charged with taking too big a chunk of the assets

By Joel Chernoff

WASHINGTON—American Telephone & Telegraph Co. plans to keep too large a share of its $40 billion in pension assets in the upcoming divestiture, a state and its utility commission charged.

In objections filed Feb. 14 to AT&T's reorganization proposal, the state of Maine and the Maine Public Utilities Commission argue that the company has chosen the wrong method of allocating assets, and that the proposed division "will deprive the BOCs (Bell Operating Cos.) of their rightful share of those assets and will result in higher future pension costs to be borne by local ratepayers . . ."

Maine wants the allocation to be based on the regional operating companies' contribution to the fund. That would include contributions made to the central fund since 1980, and assets merged into the fund in October 1980. AT&T consolidated the assets of most of its subsidiaries at that time. The state says the amount of assets in dispute is 5% or more of total pension assets, or at least $2 billion.

However, AT&T attorney Scott Macey countered the charges on a number of counts. He pointed out that the allocation was based on present and future benefit liabilities each company will incur; the method would allow each firm to start out on an equal footing. And he said AT&T can't determine allocation by acting on behalf of local ratepayers, but must allocate based on the exclusive benefit of participants and beneficiaries.

Both sides agree, however, that the Supreme Court's Feb. 28 ruling, which upheld the divestiture agreement and ignored the arguments of 13 states that the settlement pre-empts state regulatory authority, has no effect on this pension asset issue.

Maine's filing at U.S. District Court here is the second major objection to AT&T's plan for its pension assets. The Communications Workers of America union also has objected to the plans for breaking up of the nation's largest pension plan, saying the matter should be subject to collective bargaining (*Pensions & Investment Age*, Feb. 21).

The breakup of the two pension plans into 16, and consequent allocation of assets, is part of the divestiture scheme AT&T agreed to in settling a Justice Department suit charging monopolization.

AT&T plans to allocate assets for

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Late news

Continued from page 1

$264 million of entertainment companies and $253 million of integrated oil companies.

Consulting firm sold

WESTPORT, CONN.—The principals of Evaluation Associates—William Crerend, Steve Gross, Ellen Petrino and Robert Watson—have sold the firm to Torchmark, an insurance and financial services company based in Birmingham, Ala., and Boston.

Fund restructures

PARSIPPANY, N.J.—Nabisco Brands restructured its $400 million pension fund; the fund will have a $150 million equity core split evenly among Forstmann-Leff Associates, New York; Batterymarch Financial Management, Boston; and Bankers Trust Co., New York, according to sources. Bankers will manage a Standard & Poor's 500 index fund with options overwriting capability. Five satellite managers split $70 million: Hellman, Jordan Management Co., Boston; McKenzie, Walker Investment Management, Larkspur, Calif.; Avatar Associates, New York; Kingsley, Jennison, McNulty & Morse, San Francisco; and Leiber, Harris, New York. Three fixed-income managers split $150 million: Robert C. Brown & Co., San Francisco; Hoisington Investment Management, Houston; and Fischer, Francis, Trees & Watts, New York.

Mortgage investment

LANSING, MICH.—The mortgage service division in Michigan, representing the state's $7 billion public funds, invested $30 million in a 156-unit apartment building in New York.

The mortgage is insured through the Federal Housing Administration, and offers an interest rate of 12¾% plus participation in co-op conversion profits.

SEC approval given

PITTSBURGH—Allegheny International Inc. received approval from the Securities and Exchange Commission Feb. 16 to sell 200,000 shares of common stock that were contributed to its pension fund instead of cash on Sept. 15, according to Richard Skaare, director of corporate communications. Allegheny stock is trading about $10 per share above its 18⅝ closing price on Sept. 15. Salomon Bros. will manage the public offering.

People changes . . .

- LOS ANGELES—Larry Tint, manager of fundamental research at Wilshire Associates, has joined Trust Co. of the West as of March 1.
- MIDDLETOWN, OHIO—J. Robert Whitehurst, executive vice president and co-founder of Armco Investment Management Inc., here, has left to accept a position as president of Kensington Associates, and its affiliate, Venture Capital Investment Management Co.
- NEW YORK—Barry V. Smith, deputy chief of staff, has been named executive vice president in charge of pension operations at Equitable Life Assurance Society, succeeding J. Gary Burkhead who moved to Fidelity Trust Co.
- NEW YORK—Thomas Verage, vice president and portfolio manager for Citibank's Investment Management Group, will join Schroder Capital Management, New York, as executive vice president and senior portfolio manager.

Money movers . . .

- MIDDLETOWN, OHIO—Armco Inc.'s $1.1 billion pension fund has deployed $100 million with two New York equity managers, Alliance Capital Management Corp. and Chase Investors Management Corp.
- NEW YORK—Celanese Corp.'s $600 million pension fund raised its equity exposure to 70% by moving $28 million to BMI Capital, N.Y., and $25 million to Trustee & Investors Co. Inc., Boston.
- SANTA CLARA, CALIF.—The Orange County Employees' Retirement System has hired First Interstate Portfolio Lending Division, Los Angeles, as its securities lending agent. The $405 million fund also gave $21 million to its two existing bond managers: Pacific Investment Management Co., Newport Beach, Calif.; and Kennedy Associates, Seattle. And it has given $28 million to its single equity manager, Smoot Knoche & Co., Salt Lake City.

Photo: Mary Cairns

Harold Washington: "Preservation of high return must remain a priority"

Washington supports targeting of city funds

By Linda Savage Ruhe

CHICAGO—Democratic mayoral candidate Harold Washington would like to see the five city pension funds targeted more toward local investments.

However he stressed this should be done only if a high rate of return can be preserved. Mr. Washington will likely be Chicago's next mayor; Democrats have held the office since 1931.

"Eighty percent to 90% of the local fund's assets are invested presently in the securities of companies and government agencies outside of Chicago," Mr. Washington said in a recent fiscal policy position paper.

"These funds can be redirected to Chicago area company and government agencies, and in some institutions targeted more directly to supplying financially feasible economic development and housing initiatives as the state of Illinois is

Continued on page 69

Mel Petersen quits California Teachers'

By Steve Hemmerick

SACRAMENTO—Mel Petersen has resigned as chief investment officer of the $10 billion California State Teachers' Retirement System—a position he took only months ago.

Until January he managed both the employees' and teachers' fund, but the two funds were in the process of being split.

Mr. Petersen is joining Seattle-First National Bank to become vice president and manager of the fixed-income group.

He apparently resigned after it appeared efforts would fail to double salaries for top state investment officers. California is facing an almost $2 billion deficit.

His March 1 decision to resign was met with glee at Seattle-First, which last year lost its long-time fixed-income manager, John Hamilton, and two other employees to an area investment counseling firm, Olympic Capital.

Mr. Hamilton's leaving—he had been fixed-income manager at the bank since 1949—left the bank with an outstanding record, but no fixed-income manager. According to the Pensions & Investments' Performance Evaluation Report, Seattle-First's fixed-income compound annual return for 10 years ending 1982 was 9.8%, and for five years ending 1982 it scored 12.3%. For both periods, Seattle-First was in the top decile of P.I.P.E.R.'s fixed-income universe.

Bank officials were worried about the loss of Mr. Hamilton, and promised clients they would find someone to continue the performance of the bank's "system."

"He (Mr. Petersen) has the perfect background, just what we were looking for," said Chandler Everett, senior trust officer at Seattle-First.

In Sacramento, however, a difficult situation has become worse. Up until January, Mr. Petersen had been managing both the state teachers' fund and the California Employees' Retirement System fund, with a total value of about $28 billion.

The Legislature decided to split up investment management of the two funds, a "roundabout" effort to increase the staff and salaries of

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Vol. 11, No. 5—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Minority-owned broker

N.Y. funds charged with discrimination

NEW YORK—New York City Comptroller Harrison J. Goldin has been accused of racial bias because stock trades made for the city's pension system are not, according to the chairman of a brokerage firm, directed to minority-owned firms.

The charges were made by Travers J. Bell Jr., chairman of Daniels & Bell Inc., a minority-owned brokerage house; it currently is the New York Stock Exchange's only minority-owned member firm. He accused the city of "retarding" the minority brokerage community.

Mr. Goldin denied the charge, defending his office on a record of targeted investments and business transacted directly with minority-owned financial firms while maintaining his refusal to direct the operations of companies under contract to the city.

"We believe that for the city to direct brokerage will open the door to improper influences in connection with this enormously lucrative activity," Mr. Goldin said in a statement in response to an article in a New York publication.

In an interview with *Pensions & Investment Age* he said, "While we have advised our independent equity managers in no uncertain terms that they are to do business on a non-discriminatory basis, at the same time, somebody seeking to do business with them has got to be able to offer a specific product which the pension systems need, has got to be competitive, and I and the city specifically won't direct commission business."

Mr. Goldin said Mr. Bell's brokerage has not been deemed capable by the city's financial advisers. "In order to be able to qualify, he would have . . . to offer a product that those who manage money for us need, and offer a service that would warrant the expenditure of commission dollars," Mr. Goldin said.

"In broad terms, they obviously haven't," said Jack R. Meyer, who until recently was deputy comptroller for the city and now is treasurer and chief investment officer for the Rockefeller Foundation.

Continued on page 73

Top performers for equity, fixed-income

Top equity adviser hits 61%; median fund returns 22.2%

By Lynn Griffo

NEW YORK—Last August's big market push proved rosy for bank and insurance company equity funds.

More than half of the bank and insurance company equity funds tracked by *Pensions & Investment Age's* P.I.P.E.R. index had a banner year in 1982 with a 22.2% median rate of return on investments, according to the data; the median figure outdid the Standard & Poor's 500 stock index of 21.7%.

During the year, fully 54% of the managers beat the S&P 500.

Security Pacific National Bank, with a 61.3% return in 1982, earned the No. 1 spot of all funds tracked by P.I.P.E.R.

Second and third place go to United Capital Management, the investment counseling group of United Banks of Denver, and First National Bank of Birmingham in Alabama, with returns of 49% and 47.4% respectively.

As for consistency, several banks and insurance companies did well for both the one- and 10-year periods.

However, in terms of excellence, very few institutions scored in the top decile consistently for the one-, three-, five- and 10-year periods.

Unquestionably, the regional banks and insurance companies took home all the trophies in this category.

First National of Birmingham has been in the top decile not only last year but for the longer periods as well. Its annualized returns on equity investments have been 24.8% for the three years ending Dec. 31, 1982, 18.8% for five years and 12.4% for the past 10 years.

Home Life Insurance Co., New York; United Capital Management; and Meridian Management Co., a subsidiary of First Variable Life Insurance Co., Arkansas, also have chalked up good numbers.

As for the larger industry-known names, only two institutions deserve recognition for consistent performance. And, while these two did not hit the top five spots during any one period, both are top decile performers—Bessemer Trust Co. and Equitable Life Assurance, with its Separate Account No. 4.

Highest scores for the three-year period ending Dec. 31, 1982, go to First National Bank and Trust of Oklahoma City with a 28.5% return; First Interstate Investment Advisors, Las Vegas, 27.5%; and Intrawest (formerly

Continued on page 32

The statistical data on performance is extracted from Pensions and Investments' Performance Evaluation Report (P.I.P.E.R.), a quarterly performance evaluation service published separately by *Pensions & Investment Age*. The service details comparative performance data on more than 200 equity funds and a like number of fixed-income funds for banks and insurance companies. The reports are compiled by Rogers, Casey & Barksdale Inc., Stamford, Conn.

Information from the reports is extracted and published in the regular issues of *P&I Age*. The special section contains:

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For P.I.P.E.R. report subscription information, write: P.I.P.E.R., c/o *Pensions & Investment Age*, 740 N. Rush St., Chicago, Ill. 60611.

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Median fixed-income fund fell below indexes for 1982

By Linda Savage Ruhe

CHICAGO—Returns on fixed-income pooled funds dropped slightly during the last quarter of 1982, allowing equity funds to beat them out.

For the entire year, however, the median fixed-income fund still continued to have the edge over its counterpart in the equity area.

These figures reflect the recent tapering off of the bull bond market and the subsequent rally in the stock market.

For the past quarter, the median bank and insurance company pooled fixed-income fund showed a return of 8.2% and for the year, 29.4%, according to the Pensions & Investments' Performance Evaluation Report, which is compiled by Rogers, Casey & Barksdale.

At 8.2%, the median fixed-income fund was just below its comparative index, the Lehman Bros. Kuhn Loeb Government/Corporate index at 8.3%.

In comparison, the median equity return for the latest quarter was a whopping 17.1% and for the 12 months was 22.2%.

Top performers in the fixed-income area for the quarter and one-year returns claimed to have achieved their results through a strategy of moving from cash into bonds at the right time, and including in their purchases a significant position in zero-coupon and deep-discount bonds.

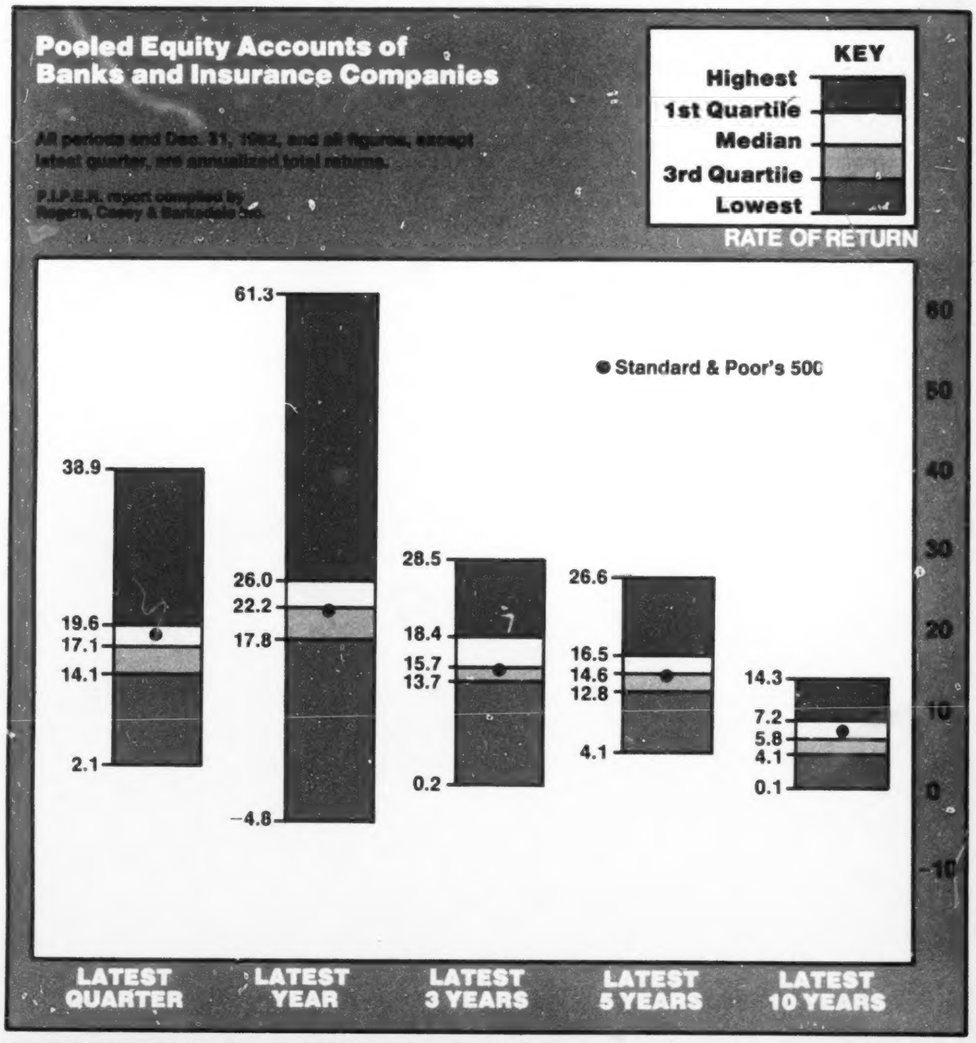
The best return for the quarter was 21.1% at American National Bank of Austin in Texas.

According to Randy Bateman, senior vice president at American National, the fixed-income portfolio was 100% in cash two years ago. About 1½ years ago, the strategy was to move to a fully invested position.

The bonds purchased included a combination of four-year government securities and the first zero-coupon issue available at that time, which was Pepsico's private placement issue of zero-coupon bonds.

The portfolio had 60% of its assets in the Pepsico issue, and then gradu-

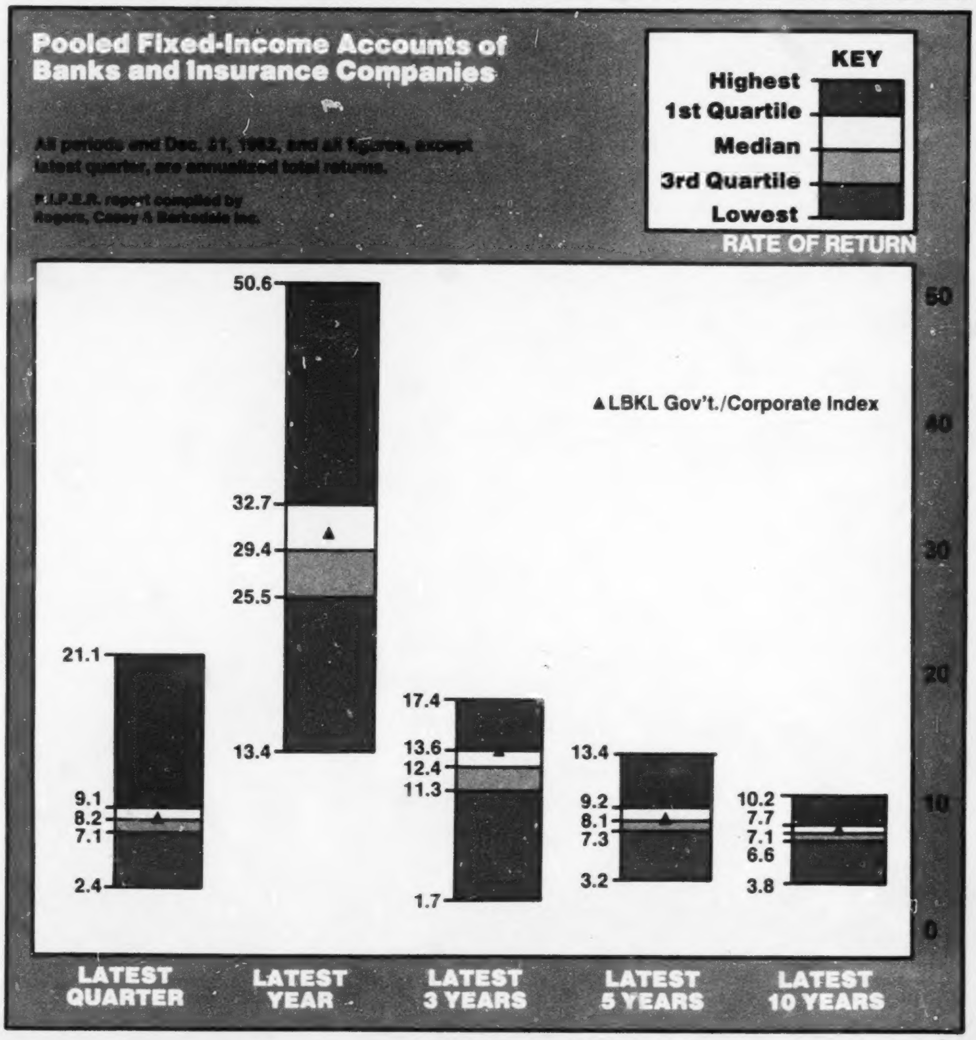
Continued on page 33



Pooled Equity Accounts of Banks and Insurance Companies

All periods end Dec. 31, 1982, and all figures, except latest quarter, are annualized total returns.

P.I.P.E.R. report compiled by Rogers, Casey & Barksdale Inc.



Pooled Fixed-Income Accounts of Banks and Insurance Companies

All periods end Dec. 31, 1982, and all figures, except latest quarter, are annualized total returns.

P.I.P.E.R. report compiled by Rogers, Casey & Barksdale Inc.

Top quartile commingled equity funds

3-month returns

	%
First Variable Life, Ark.	38.9
Security Pacific, Calif.	37.7
Exchange Natl., Chicago	30.8
United of Denver	29.8
First Bank Milwaukee	29.3
First of Birmingham, Ala.	28.4
Merchants Natl., Ala.	27.2
Puget Sound Natl., Wash.	26.4
Equitable Life (No. 4)	26.2
Equitable Trust, Md.	26.1
Union Commerce, Ohio	26.0
First of Chicago	25.8
Intrawest, Colo.	25.6
Connecticut General	25.2
Penn Mutual Life, Pa.	25.0
Pacific Mutual, Calif.	24.4
Marine Trust, Wis.	24.2
Philadelphia Life, Pa.	23.9
Interfirst Invt. Mgmt., Texas	23.7
Connecticut Bank & Trust	23.6
Long Island Trust, N.Y.	23.5
First Natl. of Tulsa, Okla.	23.4
Gary-Wheaton Bank, Ill.	23.3
Mutual Benefit, N.J.	23.3
First Interstate Denver	23.3
State Street Bank, Mass.	23.0
First Wisconsin Trust	23.0
First Interstate of Calif.	22.9
New England Mutual, Mass.	22.8
Mercantile at Dallas	22.7
HT Investors Inc., R.I.	22.7
Boatmen's National, Md.	22.4
North Carolina Natl. Bank	22.4
Citibank, N.Y.	22.3
Merchants Natl., Ind.	22.2
Philadelphia Natl., Pa.	22.2
City Trust, N.J.	22.1
Merchants Natl., Pa.	22.1
Chase Manhattan, N.Y.	22.1
Bank of Delaware	21.8
Home Life, N.Y.	21.8
First Trust Corp., Colo.	21.8
Oregon Bank	21.8
First Union Bank, N.C.	21.5
Wilmington Trust, Del.	21.5
Bank of Southwest, Texas	21.4
First Wis. Natl., Madison	21.4
Citytrust, Conn.	21.4
US Natl. of Oregon	21.3
Employers Life of Wausau, Wis.	21.2
Bankers Trust, N.Y.	21.1
Northern Trust, Ill.	21.1
Bankers Life, Iowa	21.1
Northwestern Natl., Minn.	20.9
General American, Mo.	20.7
First of Oklahoma	20.4
Lake Shore Natl, Ill.	20.3
Valley Natl., Ariz.	20.1
Trust Co. of Florida	20.0
Omaha Natl. Bank, Neb.	19.9
Shawmut of Boston	19.9
First Tennessee, Chat.	19.8
Indiana National Bank	19.8
First of Allentown, Pa.	19.6
Mercantile Natl., Ind.	19.6
Pioneer Bank, Ill.	19.6
Security Tr., Rochester, N.Y.	19.6
First Interstate of Ariz.	19.6
Standard & Poor's 500	**18.3**

One-year returns

	%
Security Pacific, Calif.	61.3
United of Denver	49.0
First of Birmingham, Ala.	47.4
First Variable Life, Ark.	46.8
Union Commerce, Ohio	46.6
First of Oklahoma	45.5
First Bank Milwaukee	43.6
New England Mutual, Mass.	43.2
Home Life, N.Y.	37.9
Gary-Wheaton Bank, Ill.	36.2
First Tennessee, Chat.	36.1
Mercantile at Dallas	35.6
City Trust, N.J.	35.3
Bank One Trust, Ohio	34.8
Marine Midland, N.Y.	34.8
Mutual Benefit, N.J.	34.5
Mercantile Natl., Ind.	34.2
Ohio Citizens Trust	34.0
Employers Life of Wausau, Wis.	33.6
Commonwealth Natl., Pa.	33.3
Resource Trust Co., Minn.	32.3
Connecticut Bank & Trust	32.0
Interfirst Bank Austin, Texas	32.0
Lake Shore Natl, Ill.	31.8
Southeast Bank Natl., Fla.	31.2
United Virginia Bank	31.1
US Natl. of Oregon	30.6
Allied Bank, Texas	30.6
Colorado Natl. Bank	30.5
Union Planters, Tenn.	30.1
Bank of Delaware	30.0
Dauphin Deposit, Pa.	30.0
Interfirst Invt. Mgmt., Texas	30.0
Minnesota Mutual	29.8
First Union Bank, N.C.	29.7
Equitable Trust, Md.	29.5
Union Natl., Wichita, Kan.	29.3
First Kentucky Trust	29.2
Sun Bank, Fla.	29.1
Merchants Natl., Ind.	29.1
American Fletcher, Ind.	29.1
Northern Trust, Ill.	29.0
Central Bank, Denver	28.9
Omaha Natl. Bank, Neb.	28.9
Bessemer Trust, N.Y.	28.8
Long Island Trust, N.Y.	28.4
Chase Manhattan, N.Y.	28.3
Intrawest, Colo.	28.1
Valley Natl., Ariz.	28.1
HT Investors Inc., R.I.	28.1
First Wisconsin Trust	28.0
Manufacturers Detroit	28.0
Fifth Third Bank, Ohio	27.7
Central Natl., Cleveland	27.4
Bank of California	27.3
Boston Safe Deposit	27.2
Boatmen's Natl., Mo.	26.8
Equitable Life (No. 4)	26.8
American Bank, Tenn.	26.6
Exchange Natl., Chicago	26.5
Texas Commerce	26.4
Massachusetts Mutual	26.4
Citibank, N.Y.	26.3
First Interstate, Denver	26.0
Landmark Union Trust, Fla.	26.0
Standard & Poor's 500	**21.7**

Three-year returns

	%
First of Oklahoma	28.5
First Interstate of Nevada	27.5
Intrawest, Colo.	26.5
Employers Life of Wausau, Wis.	26.4
United of Denver	25.8
First of Birmingham, Ala.	24.8
Citizens Chillicothe, Mo.	24.7
Mercantile at Dallas	23.7
Home Life, N.Y.	23.4
Philadelphia Natl., Pa.	23.2
Interfirst Bank, Austin, Texas	23.2
Marine Trust, Wis.	23.2
Equitable Life (No. 4)	22.6
First Variable Life, Ark.	22.4
Girard Bank, Pa.	22.0
Wheeling Dollar Bank, W.Va.	21.9
Union Commerce, Ohio	21.9
First Union Bank, N.C.	21.8
Philadelphia Life, Pa.	21.8
Bank One Trust, Ohio	21.6
First Bank Milwaukee	21.5
US Natl. of Oregon	21.5
New England Mutual, Mass.	21.4
First Tennessee, Chat.	21.4
First Natl. of Commerce, La.	21.3
Manufacturers Detroit	21.2
Omaha Natl. Bank, Neb.	21.2
Puget Sound Natl, Wash.	21.1
Sun Bank, Fla.	20.8
Massachusetts Mutual	20.6
State Street Bank, Mass.	20.6
Provident Natl., Pa.	20.2
Ohio Citizens Trust	20.2
First Trust Corp., Colo.	20.2
Lake Shore Natl., Ill.	20.0
First Wisc. Natl., Madison	19.9
Genesee Merchants, Mich.	19.8
Bank of Delaware	19.7
Dauphin Deposit, Pa.	19.7
Bessemer Trust, N.Y.	19.4
Fifth Third Bank, Ohio	19.3
First City Natl., Houston	19.3
Gary-Wheaton Bank, Ill.	19.3
Citytrust, Conn.	19.3
Commonwealth Natl., Pa.	19.2
Mutual Benefit, N.J.	19.2
Union Planters, Tenn.	19.2
US Natl. of Galveston, Texas	19.1
Phoenix Mutual, Conn.	19.0
First Wisconsin Trust	19.0
Chase Manhattan, N.Y.	19.0
United Virginia Bank	19.0
Rainier Natl., Wash.	18.9
Long Island Trust, N.Y.	18.8
First Interstate of Wash.	18.7
Boatmen's Natl., Mo.	18.7
Security Trust Rochester	18.7
HT Investors Inc., R.I.	18.6
Nationwide Life Ins., Ohio	18.6
Landmark Union Trust, Fla.	18.6
Fourth Natl., Tulsa, Okla.	18.5
Interfirst Invt. Mgmt., Texas	18.4
Standard & Poor's 500	**15.3**

Five-year returns

	%
Citizens Chillicothe, Mo.	26.6
Philadelphia Life, Pa.	26.4
Intrawest, Colo.	25.6
Employers Life of Wausau, Wis.	24.6
First Interstate of Nevada	24.3
Home Life, N.Y.	22.9
Bessemer Trust, N.Y.	22.7
Equitable Life (No. 4)	22.2

Continued on page 29

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Fixed-income performance

Cumulative periods ending 12/31/82

	1 year	5 years %	10 years
Allied Bank, Tex.	38.6	11.2	8.8
American Bank, Pa.	33.3	7.9	(1)
American Bank, Tenn.	28.6	9.7	7.9
American Fletcher, Ind.	27.2	7.3	7.8
American Fletcher (Int. Mat.)	22.3	7.8	7.7
American National, Minn.	37.6	9.8	(1)
American Natl., Austin, Tex.	30.3	11.4	(1)
Ameritrust, Ohio	27.6	7.4	6.7
BancTexas, Dallas	23.3	9.3	7.5
Bank of Calif.	37.0	8.6	7.5
Bank of New England, Mass.	28.3	10.4	7.0
Bank of New York	36.3	8.6	(1)
Bank of Oklahoma	32.6	6.4	5.9
Bank of Southwest, Texas	30.9	6.5	6.8
Bank One of Akron, Ohio	26.8	8.0	7.3
Bank One Trust, Ohio	25.2	8.4	(1)
Bankers Trust A, N.Y.	35.3	9.9	8.0
Bankers Trust B, N.Y.	23.0	10.6	8.8
Bessemer Trust, N.Y.	28.5	9.2	(1)
Beverly Bank, Ill.	29.9	10.5	(1)
Boatmen's National, Mo.	34.9	11.6	(1)
Boston Safe Deposit, Mass.	18.4	8.2	6.6
Centerre Trust, Mo.	41.3	10.2	9.1
Central Bank, Denver	19.1	7.3	(1)
Central Fid., Lynchburg, Va.	28.8	8.9	5.6
Central Fid., Richmond, Va.	28.6	7.1	6.2
Central Natl., Cleveland	42.5	8.6	(1)
Central Penn., Pa.	29.9	(1)	(1)
Central Trust, Ohio	29.3	8.8	7.1
Chase Manhattan, N.Y.	35.2	8.4	(1)
Chemical Bank, N.Y.	26.1	6.7	6.9
Chicago Title & Trust	26.3	7.6	6.9
Citibank, N.Y.	36.6	8.5	7.5
Citizens Fidelity, Ky.	33.0	10.0	7.8
Citizens & Southern, Ga.	26.9	5.8	6.6
City Trust, N.J.	13.4	(1)	(1)
Citytrust, Conn.	33.8	8.1	5.4
Colonial Am. Natl., Va.	31.4	7.3	(1)
Colorado Natl. Bank	36.7	7.6	7.2
Comerica Bank, Mich.	31.4	8.6	7.9
Commerce Bank, K.C., Mo.	26.4	7.2	6.5
Commerce Union, Tenn.	50.6	12.4	10.2
Commonwealth Natl., Pa.	42.4	9.3	7.0
Connecticut Bank & Trust	25.8	5.8	5.4
Connecticut General	37.5	8.6	8.6
Connecticut National Bank	32.2	8.0	(1)
Continental Bank, Pa.	24.3	7.6	5.2
Continental Illinois	23.4	6.1	6.6
Crocker National, Calif.	31.5	8.9	7.9
Crown Life, Ont.	28.7	7.0	6.9
Dauphin Deposit, Pa.	24.8	(1)	(1)
Equibank, Pa.	26.4	7.9	(1)
Equitable Life, N.Y.	33.6	5.8	5.7
Equitable Trust, Md.	18.8	5.4	6.7
Exchange Natl., Chicago	29.6	8.0	7.1
Fidelity Bank, Okla.	32.4	7.5	6.6
Fidelity Bank, Pa.	25.2	12.3	9.3
Fidelity Natl., La.	28.9	(1)	(1)
Fidelity Union, N.J.	35.3	7.5	7.1
Fidelity Union (Int.), N.J.	25.4	(1)	(1)
Fifth Third Bank, Ohio	25.6	(1)	(1)
First American Corp., Mich.	30.1	9.1	6.2
First American, Tenn.	33.1	5.7	4.5
First Bank, Milwaukee	28.4	10.0	6.9
First Citizens, N.C.	19.0	(1)	(1)
First City, Austin, Tex.	32.3	(1)	(1)
First City, Dallas	21.8	6.9	6.1
First City Natl., Houston	31.3	7.5	7.2
First Interstate, Denver	30.1	6.0	4.8
First Interstate of Ariz.	31.7	8.8	7.4
First Interstate of Calif.	28.9	9.8	8.1
First Interstate of Nev.	27.4	(1)	(1)
First Interstate of Ore.	26.9	8.3	7.1
First Interstate of Wash.	30.6	7.8	6.2
First Jersey Natl., N.J.	28.2	10.8	7.5
First Kentucky Trust	38.4	9.9	8.2
First Merch., Richmond, Va.	32.8	11.9	9.1
First Natl., Jackson, Miss.	16.9	8.7	(1)
First Natl., Lincoln, Neb.	28.1	8.4	7.2
First Natl. of Commerce	27.2	9.6	7.8
First Natl. of Tulsa	26.3	8.2	7.0
First Natl. State, N.J.	31.7	8.1	7.2
First of Akron, Ohio	25.3	8.8	(1)
First of Allentown, Pa.	33.5	(1)	(1)
First of Bartlesville, Okla.	22.9	9.2	8.0
First of Birmingham, Ala.	41.4	5.8	6.0
First of Boston (Int. Mat.)	29.4	6.8	6.3
First of Chicago	36.2	8.2	7.2
First of Cincinnati, Ohio	32.7	7.5	7.0
First of Elgin, Ill.	20.5	9.7	(1)
First of Fort Worth, Tex.	16.8	7.4	(1)
First of Grand Island, Neb.	23.9	(1)	(1)
First of Kansas City, Mo.	25.8	(1)	(1)
First of Kenosha, Wis.	15.1	4.0	4.2
First of Maryland	30.4	9.5	(1)
First of Minneapolis, Minn.	22.5	6.4	7.1
First of Mobile, Ala.	25.2	7.9	7.1
First of Oklahoma	27.9	4.7	(1)
First of Pa., Erie	22.4	9.8	7.0
First of Peoria, Ill.	18.1	7.9	(1)
First of Shreveport, La.	31.5	(1)	(1)
First of South Dakota	16.0	7.2	6.2
First Pennsylvania Bank	18.6	7.8	7.7
First Tennessee, Chatanooga	30.1	9.2	6.3
First Tennessee, Memphis	35.4	8.1	3.8
First Trust Corp., Colo.	28.0	6.7	6.7
First Trust, St. Paul, Minn.	29.6	8.4	7.2
First Union Bank, N.C.	22.3	7.9	7.5
First Variable Life, Ark.	28.3	(1)	(1)
First Wis. Natl., Madison	40.4	10.2	8.3
First Wis. Trust (Int. Mat)	27.0	7.7	7.5
Fleet National Bank, R.I.	34.5	8.0	7.0
Florida National Bank	24.8	6.6	(1)
Fourth Natl., Tulsa, Okla.	25.8	7.7	(1)
Fourth Natl., Wichita, Kan.	26.2	13.4	9.6
Gary-Wheaton Bank, Ill.	25.0	9.0	(1)
Genesee Merchants, Mich.	30.3	9.1	7.5
Girard Bank, Pa.	32.4	8.7	7.3
Greeley National, Colo.	24.7	9.1	(1)
Hamilton Bank, Pa.	30.6	(1)	(1)
Harris Trust, Ill.	29.6	6.3	7.0
Hawaiian Trust	39.3	8.7	6.7
Hibernia National, La.	30.5	11.9	9.9
Horizon Trust, N.J.	31.4	7.6	(1)
HT Investors Inc., R.I.	24.6	6.8	5.8
Indiana National Bank	29.7	9.6	(1)
Interfirst Bank, Austin, Tex.	32.9	7.5	6.9
Interfirst Invt. Mgmt., Tex.	35.3	8.9	7.2
Intrawest, Colo.	36.5	8.5	(1)
Irving Trust, N.Y.	35.7	8.7	7.6
Irwin Union Bank, Ind.	25.3	7.6	6.1
Jefferson Trust, Ill.	18.4	10.8	9.2
Key Trust Co., N.Y.	31.4	8.1	6.9
Lake Shore Natl., Ill.	25.1	7.4	6.5
Landmark First Natl., Fla.	36.0	8.9	5.9
Landmark Union Trust, Fla.	28.3	9.5	7.8
LaSalle National, Ill.	25.5	6.6	6.4
Liberty National, Okla.	34.3	5.9	6.8
Lincoln National, Ind.	34.4	7.5	7.7
Lincoln 1st, Rochester, N.Y.	30.0	6.9	6.2
Long Island Trust, N.Y.	27.8	6.4	(1)
Manufacturers Detroit	31.1	10.0	8.0
Manufacturers Hanover, N.Y.	31.4	11.3	9.2
Manufacturers & Trader, N.Y.	32.7	6.9	6.9
Marine Midland, N.Y.	35.3	7.1	6.8
Marine Trust, Wis.	25.3	9.6	7.4
Marquette National, Minn.	20.7	8.0	7.3
Maryland National	22.0	5.4	4.7
Massachusetts Mutual	29.6	8.7	8.2
Mellon Bank, Pa.	14.0	3.2	(1)
Mercantile at Dallas	35.5	6.5	6.3
Mercantile National, Ind.	21.7	(1)	(1)
Mercantile Safe, Md.	29.3	9.6	8.4
Mercantile Trust, Mo.	32.5	10.1	8.6
Merchants National, Pa.	28.6	10.5	(1)
Merchants Natl., Ala.	20.0	5.8	6.3
Merchants Natl., Ind.	27.3	9.1	7.6
Mich. Natl. of Detroit	21.1	6.4	(1)
Mich. Natl. of Grand Rapids	24.4	7.1	7.3
Midlantic National, N.J.	31.5	7.5	7.0
Minnesota Mutual	30.5	8.4	(1)
Moline National, Ill.	26.7	8.2	7.3
Morgan Guaranty (Comp.), N.Y.	27.7	8.6	8.0
Mutual of N.Y.	32.1	7.1	(1)
Natl. Bank of Detroit	32.8	8.6	7.3
Natl. City, Cleveland	30.5	7.7	6.9
Natl. of Commerce, Neb.	35.6	7.2	(1)
National of Georgia	27.5	7.7	(1)
Natl. of North America, N.Y.	29.8	7.3	6.6
New England Mutual, Mass.	32.9	6.4	5.6
New Jersey National	21.6	4.7	5.7
North Carolina Natl. Bank	22.0	9.2	7.7
Northern Trust, Ill.	28.6	7.6	7.4
Northwestern Natl., Minn.	33.8	7.2	6.6
Ohio Citizens Trust	35.5	8.8	7.4
Old Kent, Mich.	26.2	7.5	7.2
Old National, Wash.	30.9	7.5	6.1
Olympic Bank, Wash.	22.9	(1)	(1)
Omaha Natl. Bank, Neb.	20.0	5.4	6.7
Oregon Bank	22.6	9.4	7.9
Ouachita Natl., La.	16.0	8.4	(1)
Pacific Mutual, Calif.	36.0	10.9	(1)
Peoples Trust, Ind.	31.4	7.6	6.9
Philadelphia Natl., Pa.	32.6	8.2	7.2
Pioneer Bank, Ill.	34.3	(1)	(1)
Pittsburgh National	28.5	10.8	(1)
Provident National, Pa.	29.8	8.6	7.5
Prudential, N.J.	29.9	7.8	(1)
Puget Sound National, Wash.	23.3	9.1	8.1
Rainier National, Wash.	26.5	6.5	6.4
Republic Natl., Dallas	30.7	7.1	6.5
Riggs of Washington	28.6	9.6	(1)
Seattle Trust, Wash.	30.3	9.6	(1)
Seattle 1st Natl., Wash.	33.2	12.3	9.8
Security Natl. Bank, W. Va.	28.2	(1)	(1)
Security Pacific, Calif.	31.9	(1)	(1)
Security Trust, Rochester, N.Y.	29.3	7.7	6.9
Security-Peoples Trust, Pa.	29.1	9.3	7.4
Shawmut of Boston, Mass.	26.7	7.7	7.0
Shawmut of Boston (Int.), Mass.	23.2	(1)	(1)
South Trust Bank, Ala.	35.1	8.7	7.3
Southeast Bank NA, Fla.	25.5	7.8	7.3
State Mutual Life, Mass.	34.8	9.2	(1)
State National, Conn.	28.8	10.1	8.4
State Street Bank, Mass.	31.7	7.5	6.9
St. Louis County Bank, Mo.	21.8	9.2	7.4
Summit & Elizabeth, N.J.	27.2	9.4	7.8
Sun Bank, Fla.	31.7	8.1	(1)
Texas American Bank	28.3	8.2	6.9
Texas Commerce	34.3	12.6	8.9
Toledo Trust, Ohio	30.3	9.3	7.1
Travelers, Conn.	30.6	8.1	(1)
Trust Co. of Florida	22.7	10.3	(1)
Trust Co. of Georgia	31.3	7.7	6.8
Trust SVCS of Amer., Calif.	34.8	6.5	6.7
Union Central, Ohio	28.7	7.6	7.3
Union Commerce, Ohio	27.2	6.9	4.6
Union Natl., Wichita, Kan.	23.8	6.8	(1)
Union Planters, Tenn.	41.2	10.4	8.1
United Kentucky Bank	34.2	7.6	(1)
United Missouri, K.C.	25.5	8.8	7.7
United of Denver	39.5	10.0	7.5
United Virginia Bank	29.9	8.2	7.5
US Natl. of Oregon	36.3	6.4	(1)
US Trust, N.Y.	19.3	10.8	9.4
Valley Natl., Ariz.	30.5	7.9	7.3
Virginia National	32.7	7.0	6.6
Wachovia Bank, N.C.	41.5	9.3	8.0
Wheeling Dollar Bank, W. Va.	39.6	8.4	(1)
Wilmington Trust, Del.	28.5	7.8	7.0
LBKL Govt./Corp. Index	**31.1**	**8.5**	**7.5**
90-day Treasury Bills	**10.6**	**10.7**	**(1)**

(1) Fund too new.
(2) Failed to submit data by deadline date.

Equity performance

Cumulative periods
ending 12/31/82

	1 year	5 years %	10 years
Aetna Life & Casualty, Conn.	20.8	15.3	6.2
Allied Bank, Tex.	30.6	14.1	(1)
American Bank, Pa.	14.2	4.2	3.3
American Bank, Tenn.	26.6	14.0	4.5
American Fletcher, Ind.	29.1	12.8	3.4
American National, Minn.	17.1	11.6	4.7
American Natl., Austin, Tex.	23.0	9.5	(1)
Ameritrust, Ohio	20.5	12.8	6.1
BancTexas, Dallas	14.6	11.2	6.8
Bank of California	27.3	13.2	3.7
Bank of Delaware	30.0	16.0	6.8
Bank of New England, Mass.	23.6	13.6	5.5
Bank of New York	11.3	12.2	5.0
Bank of Oklahoma	17.2	15.2	5.2
Bank of Southwest, Tex.	17.8	14.8	3.5
Bank of the West, Calif.	22.2	(1)	(1)
Bank One of Akron, Ohio	19.2	11.3	3.7
Bank One Trust, Ohio	34.8	16.7	(1)
Bankers Life, Iowa	17.8	16.8	10.8
Bankers Trust, N.Y.	25.8	16.0	3.5
Bessemer Trust, N.Y.	28.8	22.7	12.9
Beverly Bank, Ill.	13.0	15.6	(1)
Boatmen's Bank, K.C., Mo.	11.5	12.0	(1)
Boatmen's National, Mo.	26.8	14.4	(1)
Boston Safe Deposit, Mass.	27.2	12.2	3.4
Capital Bank, Houston	−3.7	20.2	11.4
Centerre Trust, Mo.	23.7	14.8	3.3
Central Bank, Denver	28.9	12.4	(1)
Central Fid., Lynchburg, Va.	23.2	13.6	5.4
Central Fid., Richmond, Va.	25.3	14.6	6.2
Central Natl., Cleveland	27.4	13.3	(1)
Central Penn., Pa.	19.7	13.4	7.4
Central Trust, Ohio	14.0	13.8	4.5
Chase Manhattan, N.Y.	28.3	16.8	5.5
Chemical Bank, N.Y.	20.1	15.8	6.4
Chicago Title & Trust	22.2	15.3	6.7
Citibank, N.Y.	26.3	17.3	5.1
Citizens Chillicothe, Mo.	25.7	26.6	12.8
Citizens Fidelity, Ky.	21.0	14.1	(1)
Citizens & Southern, Ga.	19.8	11.6	6.3
City Trust, N.J.	35.3	(1)	(1)
Cititrust, Conn.	22.5	15.6	7.2
Colonial Am. Natl., Va.	18.5	14.2	(1)
Colorado National Bank	30.5	15.6	8.0
Comerica Bank, Mich.	16.2	11.8	3.4
Commerce Bank, K.C., Mo.	22.1	12.5	3.5
Commonwealth Natl., Pa.	33.3	17.7	(1)
Connecticut Bank & Trust	32.0	15.1	4.4
Connecticut General	21.5	19.4	8.0
Connecticut National Bank	15.1	12.8	4.8
Continental Bank, Pa.	17.0	17.7	5.8
Continental Illinois	19.8	14.6	3.6
CREF	21.9	13.8	4.9
Crocker National, Calif.	19.9	15.1	6.4
Crown Life, Ont.	18.7	15.0	8.7
Dauphin Deposit, Pa.	30.0	(1)	(1)
Employers Life of Wausau, Wis.	33.6	24.5	(1)
Equibank, Pa.	18.6	9.3	(1)
Equitable Life (No. 1)	20.3	15.8	6.5
Equitable Life (No. 4)	26.8	22.2	9.8
Equitable Trust, Md.	29.5	16.7	5.2
Exchange Natl., Chicago	26.5	14.5	5.8
Fidelity Bank, Okla.	19.3	11.7	2.7
Fidelity Bank, Pa.	13.5	9.1	2.4
Fidelity Natl., La.	20.5	(1)	(1)
Fidelity Union, N.J.	22.8	16.0	5.6
Fifth Third Bank, Ohio	27.7	17.2	8.8
First American Corp., Mich.	20.5	14.4	6.5
First American, Tenn.	23.1	12.8	3.7
First Bank, Milwaukee	43.6	16.3	6.2
First Citizens, N.C.	25.0	(1)	(1)
First City, Austin, Tex.	11.0	8.3	(1)
First City, Dallas	21.4	10.4	6.1
First City Natl., Houston	25.3	17.1	6.6
First Interstate, Denver	26.0	13.4	5.5
First Interstate of Ariz.	25.3	13.7	2.5
First Interstate of Calif.	24.7	14.1	5.8
First Interstate of Nevada	10.5	24.3	(1)
First Interstate of Oregon	24.9	14.2	5.3
First Interstate of Wash.	22.9	17.6	8.5
First Jersey Natl., N.J.	15.5	13.5	6.2
First Kentucky Trust	29.2	15.3	6.5
First Merch., Richmond, Va.	20.2	12.8	(1)
First Natl., Jackson, Miss.	−0.1	4.4	0.8
First Natl., Lincoln, Neb.	22.3	16.8	6.2
First Natl. of Commerce, La.	11.5	18.4	8.3
First Natl. of Tulsa, Okla.	22.5	14.9	5.3
First Natl. State, N.J.	20.1	13.0	4.4
First of Akron, Ohio	9.4	9.8	3.3
First of Allentown, Pa.	6.8	13.8	(1)
First of Bartlesville, Okla.	24.5	13.0	5.9
First of Birmingham, Ala.	47.4	18.8	12.4
First of Boston, Mass.	24.4	14.0	3.9
First of Chicago	23.0	12.9	4.4
First of Cincinnati	22.8	14.4	5.8
First of Elgin, Ill.	22.0	14.4	(1)
First of Fort Worth, Tex.	24.2	18.1	7.4
First of Grand Island, Neb.	18.8	(1)	(1)
First of Kansas City, Mo.	18.8	14.5	4.9
First of Kenosha, Wis.	9.8	12.5	8.6
First of Maryland	17.4	14.9	(1)
First of Minneapolis	13.1	9.3	4.4
First of Mobile, Ala.	17.2	14.7	5.2
First of Oklahoma	45.5	21.3	9.1
First of Pa., Erie	9.3	9.9	4.6
First of Peoria, Ill.	13.2	12.3	3.5
First of Shreveport, La.	18.6	(1)	(1)
First of South Dakota	−1.6	7.1	0.6
First of Pennsylvania Bank	18.9	13.0	8.0
First Tennessee, Chat.	36.1	17.1	8.1
First Tennessee, Memphis	23.9	15.0	4.3
First Trust Corp., Colo.	19.8	20.1	11.5
First Trust, St. Paul, Minn.	20.6	14.8	6.0
First Union Bank, N.C.	29.7	19.1	4.3
First Variable Life, Ark.	46.8	18.7	14.2
First Wis. Natl., Madison	18.2	20.5	12.5
First Wisconsin Trust	28.0	15.9	(1)
Fleet Natl. Bank, R.I.	15.9	13.5	4.0
Florida Natl. Bank	25.5	11.2	(1)
Fourth Natl. Tulsa, Okla.	12.3	14.8	(1)
Fourth Natl., Wichita, Kan.	14.0	11.0	4.1
Gary-Wheaton Bank, Ill.	36.2	15.3	3.5
General American, Mo.	24.5	12.5	2.2
Genesee Merchants, Mich.	16.4	16.8	4.1
Girard Bank, Pa.	25.1	18.6	6.5
Greeley Natl., Colo.	4.1	7.9	(1)
Guardian Insurance, N.Y.	25.4	19.0	14.3
Hamilton Bank, Pa.	18.0	15.7	3.1
Harris Trust, Ill.	25.5	14.0	5.3
Hawaiian Trust	15.8	15.0	3.8
Hibernia National, La.	15.7	12.6	10.0
Home Life, N.Y.	37.9	22.9	11.5
Horizon Trust, N.J.	19.3	12.7	(1)
HT Investors Inc., R.I.	28.1	16.0	6.5
Indiana National Bank	21.1	14.9	(1)
Interfirst Bank, Austin, Tex.	32.0	16.5	6.0
Interfirst Invt. Mgmt., Tex.	30.0	16.3	7.0
Inrawest, Colo.	28.1	25.6	7.6
Irving Trust, N.Y.	24.5	12.9	2.5
Irwin Union Bank, Ind.	21.5	10.9	4.2
Jefferson Trust, Ill.	15.6	11.6	(1)
Key Trust Co., N.Y.	22.1	12.8	4.6
Lake Shore Natl., Ill.	31.7	17.6	5.7
Landmark First Natl., Fla.	9.4	(1)	(1)
Landmark Union Trust, Fla.	25.9	16.5	9.2
LaSalle National, Ill.	15.0	12.7	4.6
Liberty National, Okla.	18.7	15.6	8.6
Life of Virginia	7.6	15.9	8.0
Lincoln National, Ind.	20.8	12.9	3.8
Lincoln 1st, Rochester, N.Y.	8.9	9.6	4.1
Long Island Trust, N.Y.	28.4	17.9	4.2
Manufacturers Detroit	28.0	17.0	6.1
Manufacturers Hanover, N.Y.	15.6	15.7	3.6
Manufacturers & Trader, N.Y.	−4.8	4.1	0.1
Marine Midland, N.Y.	34.8	(1)	(1)
Marine Trust, Wis.	24.3	19.6	(1)
Marquette Natl., Minn.	17.7	7.9	6.4
Maryland National	14.4	11.3	3.7
Massachusetts Mutual	26.4	17.0	8.0
Mellon Bank, Pa.	13.9	10.5	1.9
Mercantile at Dallas	35.6	20.7	8.3
Mercantile Natl., Ind.	34.1	(1)	(1)
Mercantile Safe, Md.	23.1	14.6	3.6
Mercantile Trust, Mo.	0.9	11.5	4.7
Merchants Natl., Pa.	20.7	11.8	(1)
Merchants Natl., Ala.	22.4	11.2	4.7
Merchants Natl., Ind.	29.1	14.1	4.0
Metropolitan Life, N.Y.	20.3	13.4	3.1
Mich. Natl. of Detroit	23.5	11.4	3.4
Mich. Natl. of Grand Rapids	23.1	11.7	8.2
Midlantic National, N.J.	25.9	13.8	6.1
Minnesota Mutual	29.8	14.8	8.9
Moline National, Ill.	11.1	16.1	8.7
Morgan Guaranty (Comp.), N.Y.	19.6	13.0	4.8
Mutual Benefit, N.J.	34.5	14.6	5.5
Mutual of N.Y.	25.2	13.0	3.5
Nationwide Life Ins., Ohio	25.9	16.4	7.8
Natl. Bank of Detroit	21.5	10.9	4.3
Natl. City, Cleveland	23.9	17.8	7.2
Natl. of Commerce, Neb.	22.2	22.2	(1)
Natl. of Commerce, Tex.	19.2	15.7	5.9
Natl. of Georgia	12.8	11.4	(1)
Natl. of NA, N.Y.	25.5	14.5	3.9
New England Mutual, Mass.	43.2	18.1	7.5
New Jersey National	23.1	13.3	4.3
North Carolina Natl. Bank	22.8	16.2	6.7
Northern Trust, Ill.	29.0	16.7	5.1
Northwestern Natl., Minn.	22.9	15.3	6.8
Occidental, Calif.	18.6	12.9	4.5
Ohio Citizens Trust	34.0	15.5	6.5
Old Kent, Mich.	25.2	13.5	3.7
Old National, Wash.	22.1	13.8	6.9
Old Second Natl., Aurora, Ill.	13.8	13.2	7.4
Olympic Bank, Wash.	19.3	15.7	8.6
Omaha Natl. Bank, Neb.	28.9	19.7	5.7
Oregon Bank	20.8	11.5	5.8
Ouachita Natl., La.	7.1	13.0	(1)
Pacific Mutual, Calif.	11.7	15.3	6.8
Penn. Mutual Life, Pa.	21.1	16.2	8.0
Peoples Trust, Ind.	17.8	7.4	3.8
Philadelphia Life, Pa.	16.8	26.4	14.0
Philadelphia Natl., Pa.	25.0	19.8	7.6
Phoenix Mutual, Conn.	20.0	17.6	7.8
Pioneer Bank, Ill.	21.5	(1)	(1)
Pittsburgh Natl.	10.1	12.7	(1)
Pittsburgh Natl. (QMS)	20.3	16.3	9.4
Provident Bank, Ohio	22.4	13.5	5.3
Provident Mutual, Pa.	24.1	15.1	7.9
Provident National, Pa.	24.1	17.3	8.4
Prudential (VCA 5)	14.1	14.5	5.9
Puget Sound Natl., Wash.	23.1	15.7	5.3
Rainier National, Wash.	21.4	17.5	7.4
Republic Natl., Dallas	18.7	13.9	3.7
Resource Trust Co., Minn.	32.3	(1)	(1)
Riggs of Washington	23.4	13.9	(1)
Seattle Trust, Wash.	22.0	12.8	(1)
Seattle 1st Natl., Wash.	20.0	17.3	6.5
Security Natl. Bank, W. Va.	15.2	(1)	(1)
Security Pacific, Calif.	61.3	(1)	(1)
Security Tr., Rochester, N.Y.	24.9	16.3	6.6
Security-Peoples Trust, Pa.	22.6	13.1	5.9
Sentry Life, Wis.	11.2	18.7	6.5
Shawmut of Boston, Mass.	18.4	8.5	2.2
South Trust Bank, Ala.	15.8	9.5	(1)
Southeast Bank, NA, Fla.	31.2	16.0	3.9
State Mutual Life, Mass.	23.8	17.6	2.9
State National, Conn.	13.2	13.6	5.4
State Street Bank, Mass.	23.6	15.9	4.8
St. Louis County Bank, Mo.	12.7	13.2	4.8
Summit & Elizabeth, N.J.	21.9	8.6	5.2
Sun Bank, Fla.	29.1	16.1	(1)
Texas American Bank	16.9	16.8	7.5
Texas Commerce	26.4	18.6	4.8
Toledo Trust, Ohio	23.0	11.5	3.9
Travelers, Conn.	15.1	15.2	6.6
Trust Co. of Florida	21.7	12.1	(1)
Trust Co. of Georgia	23.7	15.2	5.9
Trust SVCS of Amer., Calif.	21.6	14.7	6.4
Union Central, Ohio	23.8	14.3	6.7
Union Commerce, Ohio	46.6	16.6	4.0
Union Natl., Wichita, Kan.	29.3	13.5	(1)
Union Planters, Tenn.	30.1	14.8	6.3
United Kentucky Bank	9.2	(1)	(1)
United Missouri, K.C.	20.2	13.9	6.1
United of Denver	49.0	20.5	8.9
United Virginia Bank	31.0	16.6	6.6
US Natl. of Galveston, Tex.	25.1	18.8	12.1
US Natl. of Oregon	30.6	21.2	11.4
US Trust, N.Y.	6.0	11.0	0.1
Valley National, Ariz.	28.1	11.6	2.7
Virginia National	24.5	14.6	4.0
Wachovia Bank, N.C.	20.1	12.5	2.6
Wheeling Dollar Bank, W. Va.	25.7	18.3	(1)
Wilmington Trust, Del.	25.6	14.1	5.1
Standard & Poor's 500	**21.7**	**14.2**	**6.8**

(1) Fund too new.
(2) Failed to submit data by deadline date.

Equity funds . . .

Continued from page 24

Natl. of Commerce, Neb.	22.2
First of Oklahoma	21.3
US Natl. of Oregon	21.2
Mercantile at Dallas	20.7
United of Denver	20.5
First Wis. Natl.	20.5
Capital Bank, Houston	20.2
First Trust Corp., Colo.	20.1
Philadelphia Natl., Pa.	19.8
Omaha Natl. Bank, Neb.	19.7
Marine Trust, Wis.	19.6
Connecticut General	19.4
First Union Bank, N.C.	19.1
Guardian Insurance, N.Y.	19.0
First of Birmingham, Ala.	18.8
US Natl. of Galveston, Texas	18.8
Sentry Life, Wis.	18.7
First Variable Life, Ark.	18.7
Girard Bank, Pa.	18.7
Texas Commerce	18.6
First Natl. of Commerce, La.	18.4
Wheeling Dollar Bank, W.Va.	18.4
First of Ft. Worth, Texas	18.1
New England Mutual, Mass.	18.1
Long Island Trust, N.Y.	17.9
Natl. City, Cleveland	17.8
Commonwealth Natl., Pa.	17.7
Continental Bank, Pa.	17.7
First Interstate of Wash.	17.6
Lake Shore Natl., Ill.	17.6
State Mutual Life, Mass.	17.6
Phoenix Mutual, Conn.	17.6
Rainier Natl., Wash.	17.5
Citibank, N.Y.	17.3
Seattle 1st Natl., Wash.	17.3
Provident National, Pa.	17.3
Fifth Third Bank, Ohio	17.3
First Tennessee, Chat.	17.1
First City Natl., Houston	17.1
Manufacturers Detroit	17.0
Massachusetts Mutual	17.0
Genesee Merchants, Mich.	16.8
Texas American Bank	16.8
Chase Manhattan, N.Y.	16.8
First Natl., Lincoln, Neb.	16.8
Bankers Life, Iowa	16.8
Equitable Trust, Md.	16.7
Northern Trust, Ill.	16.7
Bank One Trust, Ohio	16.7
United Virginia Bank	16.6
Union Commerce, Ohio	16.6
Landmark Union Trust, Fla.	16.5
Interfirst Bank Austin, Texas	16.5
Standard & Poor's 500	**14.2**

Ten-year returns

	%
Guardian Insurance, N.Y.	14.3
First Variable Life, Ark.	14.2
Philadelphia Life, Pa.	14.0
Bessemer Trust, N.Y.	12.9
Citizens Chillicothe, Mo.	12.8
First Wis. Natl., Madison	12.5
First of Birmingham, Ala.	12.4
US Natl. of Galveston, Texas	12.1
Home Life, N.Y.	11.5
First Trust Corp., Colo.	11.5
US Natl. of Oregon	11.4
Capital Bank, Houston	11.4
Bankers Life, Iowa	10.8
Hibernia Natl., La.	10.0
Equitable Life (No. 4)	9.8
Pittsburgh Natl. (QMS)	9.4
Landmark Union Trust, Fla.	9.2
First of Oklahoma	9.1
United of Denver	8.9
Minnesota Mutual	8.9
Fifth Third Bank, Ohio	8.8
Crown Life, Ont.	8.7
Moline National, Ill.	8.7
First of Kenosha, Wis	8.6
Liberty Natl., Okla.	8.6
Olympic Bank, Wash.	8.6
First Interstate of Wash.	8.5
Provident National, Pa.	8.4
Mercantile at Dallas	8.3
First Natl. of Commerce, La.	8.3
Mich. Natl. of Grand Rapids	8.2
First Tennessee, Chat.	8.1
First Pennsylvania Bank	8.0
Penn Mutual Life, Pa.	8.0
Connecticut General	8.0
Massachusetts Mutual	8.0
Life of Virginia	8.0
Colorado Natl. Bank	8.0
Provident Mutual, Pa.	7.9
Phoenix Mutual, Conn.	7.8
Nationwide Life Ins., Ohio	7.8
Intrawest, Colo.	7.6
Philadelphia Natl., Pa.	7.6
Texas American Bank	7.5
New England Mutual, Mass.	7.5
Old Second Natl., Aurora, Ill.	7.5
First of Ft. Worth, Texas	7.5
Central Penn, Pa.	7.4
Rainier National, Wash.	7.4
Citytrust, Conn.	7.2
Natl. City Cleveland	7.2
Standard & Poor's 500	**6.8**

Top quartile commingled fixed-income funds

3-month returns

	%
American Natl., Austin, Tex.	21.1
Pioneer Bank, Ill.	13.4
Commerce Union, Tenn.	12.6
Marine Trust, Wis.	12.4
First Wis. Natl., Madison	12.2
First American, Tenn.	12.2
Wachovia Bank, N.C.	11.8
Bankers Trust (A) N.Y.	11.7
United of Denver, Colo.	11.7
First Kentucky Trust	11.5
Ohio Citizens Trust	11.3
Central Natl., Cleveland	11.1
Security-Peoples Trust, Pa.	10.9
First of Birmingham, Ala.	10.8
Commonwealth Natl., Pa.	10.6
Trust SVCS of Amer., Calif.	10.6
Union Planters, Tenn.	10.5

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Bank & Trust

Fixed funds . . .

New England Mutual, Mass.	10.5
Central Fid.-Lynchburg, Va.	10.5
Centerre Trust, Mo.	10.4
Interfirst Bank, Austin, Tex.	10.4
Citizens Fidelity, Ky.	10.4
Bank of California	10.3
Manufacturers & Trader, N.Y.	10.2
Key Trust Co., N.Y.	10.2
Fidelity Union, N.J.	10.1
Lincoln 1st, Rochester, N.Y.	10.1
Wheeling Dollar Bank, W.Va.	10.0
Liberty Natl., Okla.	9.9
Allied Bank, Tex.	9.9
Intrawest, Colo.	9.9
Colorado Natl. Bank	9.9
Texas Commerce	9.8
Chase Manhattan, N.Y.	9.8
Central Fid., Richmond, Va.	9.8
Colonial Amer. Natl., Va.	9.8
First Variable Life, Ark.	9.7
Virginia Natl.	9.7
Bank of New York	9.6
Morgan Guaranty, N.Y. (Comp)	9.6
Hawaiian Trust	9.6
Marine Midland, N.Y.	9.6
First Tennessee, Memphis	9.6
First of Chicago	9.6
American Bank, Pa.	9.5
Massachusetts Mutual	9.5
State Street Bank, Mass.	9.5
American Natl., Minn.	9.5
Bank of Southwest, Tex.	9.5
Lincoln National, Ind.	9.4
Connecticut National Bank	9.3
Landmark First Natl., Fla.	9.3
Union Central, Ohio	9.3
Peoples Trust, Ind.	9.2
Old National, Wash.	9.2
United Kentucky Bank	9.2
Boatmen's National, Mo.	9.2
State Mutual Life, Mass.	9.2
HT Investors Inc., R.I.	9.1
Republic Natl., Dallas	9.1
Riggs of Washington	9.1
Citibank, N.Y.	9.1
Mercantile at Dallas	9.1
LBKL Index	**8.3**

One-year returns

	%
Commerce Union, Tenn.	50.6
Central Natl., Cleveland	42.5
Commonwealth Natl., Pa.	42.4
Wachovia Bank, N.C.	41.5
First of Birmingham, Ala.	41.4
Centerre Trust, Mo.	41.3
Union Planters, Tenn.	41.2
First Wis. Natl., Madison	40.4
Wheeling Dollar Bank, W. Va.	39.6
United of Denver	39.5
Hawaiian Trust	39.3
Allied Bank, Tex.	38.6
First Kentucky Trust	38.4
American Natl., Minn.	37.6
Connecticut General	37.5
Bank of California	37.0
Colorado Natl. Bank	36.7
Citibank, N.Y.	36.6
Intrawest, Colo.	36.5
Bank of New York	36.3
US Natl. of Oregon	36.3
First of Chicago	36.2
Pacific Mutual, Calif.	36.0
Landmark First Natl., Fla.	36.0
Irving Trust, N.Y.	35.7
Natl. of Commerce, Neb.	35.6
Mercantile at Dallas	35.5
Ohio Citizens Trust	35.5
First Tennessee, Memphis	35.4
Fidelity Union, N.J.	35.4
Bankers Trust, N.Y. (A)	35.3
Interfirst Invt. Mgmt., Tex.	35.3
Marine Midland, N.Y.	35.3
Chase Manhattan, N.Y.	35.2
South Trust Bank, Ala.	35.1
Boatmen's National, Mo.	34.9
State Mutual Life, Mass.	34.8
Trust SVCS of Amer., Calif.	34.8
Fleet Natl. Bank, R.I.	34.5
Lincoln National, Ind.	34.4
Texas Commerce	34.3
Pioneer Bank, Ill.	34.3
Liberty Natl., Okla.	34.3
United Kentucky Bank	34.2
Citytrust, Conn.	33.8
Northwestern Natl., Minn.	33.8
Equitable Life, N.Y.	33.6
First of Allentown, Pa.	33.5
American Bank, Pa.	33.3
Seattle 1st Natl., Wash.	33.2
First American, Tenn.	33.2
Citizens Fidelity, Ky.	33.0
New England Mutual, Mass.	32.9
Interfirst Bank, Austin, Tex.	32.9
Natl. Bank of Detroit	32.8
First Merch., Richmond, Va.	32.8
Manufacturers & Trader, N.Y.	32.7
Virginia National	32.7
First of Cincinnati	32.7
LBKL Index	**31.1**

Three-year returns

	%
First Merch., Richmond, Va.	17.5
American Natl., Austin, Tex.	17.4
Commerce Union, Tenn.	17.3
Seattle 1st Natl., Wash.	17.2
Fourth Natl., Wichita, Kan.	17.0
Allied Bank, Tex.	17.0
Texas Commerce	16.8
Bankers Trust, N.Y. (A)	16.2
Manufacturers Hanover, N.Y.	16.0
Union Planters, Tenn.	16.0
Centerre Trust, Mo.	15.9
Marine Trust, Wis.	15.8
First Jersey Natl., N.J.	15.6
Mercantile Trust, Mo.	15.5
Jefferson Trust, Ill.	15.5
First Kentucky Trust	15.2
Hibernia National, La.	15.1
State National, Conn.	15.1
Bank of New England, Mass.	15.1
Pacific Mutual, Calif.	15.0
Wachovia Bank, N.C.	14.9
Boatmen's National, Mo.	14.9
Pittsburgh National	14.8
American National, Minn.	14.8
Fidelity Bank, Pa.	14.8
Security-Peoples Trust, Pa.	14.7
First Natl. of Commerce, La.	14.7
Beverly Bank, Ill.	14.7
Landmark Union Trust, Fla.	14.5
Bankers Trust B, N.Y.	14.5
Riggs of Washington	14.4
Central Trust, Ohio	14.4
Central Natl., Cleveland	14.4
First of Maryland	14.3
Trust Co. of Florida	14.3
American Bank, Tenn.	14.2
First of Pa., Erie	14.2
Ohio Citizens Trust	14.2
Mercantile Safe, Md.	14.1
Indiana National Bank	14.1
First City Austin	14.1
First Bank, Milwaukee	14.0
Crocker National, Calif.	14.0
First of Kansas City, Mo.	14.0
First Interstate of Calif.	13.9
Puget Sound Natl., Wash.	13.9
St. Louis County Bank	13.9
Girard Bank, Pa.	13.9
Toledo Trust, Oh.	13.8
United of Denver	13.7
Landmark First Natl., Fla.	13.7
Hawaiian Trust	13.7
Bank of California	13.6
Manufacturers Detroit	13.6
State Mutual Life, Mass.	13.6
First Natl. State, N.J.	13.6
LBKL Index	**13.2**

Five-year returns

	%
Fourth Natl., Wichita, Kan.	13.4
Texas Commerce	12.6
Commerce Union, Tenn.	12.4
Fidelity Bank, Pa.	12.3
Seattle 1st Natl., Wash.	12.3
Hibernia National, La.	11.9
First Merch., Richmond, Va.	11.9
Boatmen's National, Mo.	11.6
American Natl., Austin, Tex.	11.4
Manufacturers Hanover, N.Y.	11.3
Allied Bank, Tex.	11.2
Pacific Mutual, Calif.	10.9
First Jersey Natl., N.J.	10.8
US Trust, N.Y.	10.8
Jefferson Trust, Ill.	10.8
Pittsburgh National	10.8
90-day Treasury Bills	10.7
Bankers Trust B, N.Y.	10.6
Merchants National, Pa.	10.5
Beverly Bank, Ill.	10.5
Bank of New England, Mass.	10.4
Union Planters, Tenn.	10.4
Trust Co. of Florida	10.3
First Wis. Natl., Madison	10.2
Centerre Trust, Mo.	10.2
State Natl., Conn.	10.1
Mercantile Trust, Mo.	10.1
United of Denver, Colo.	10.1
First Bank, Milwaukee	10.0
Manufacturers Detroit	10.0
Citizens Fidelity, Ky.	10.0
First Kentucky Trust	9.9
Bankers Trust, N.Y. (A)	9.9
First of Pa., Erie	9.8
First Interstate of Calif.	9.8
American National, Minn.	9.8
First of Elgin, Ill.	9.7
American Bank, Tenn.	9.7
Mercantile Safe, Md.	9.6
First Natl. of Commerce, La.	9.6
Seattle Trust, Wash.	9.6
Indiana National Bank	9.6
Marine Trust, Wis.	9.6
Riggs of Washington	9.6

Concluded on next page

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For the past 100 years securities firms, banks, corporations and private investors have depended on the Dow Jones "Broadtape" for quick, reliable and complete financial news. But because financial markets have recently undergone enormous changes, many investors are discovering they can also benefit from more focused coverage of specific segments of the market.

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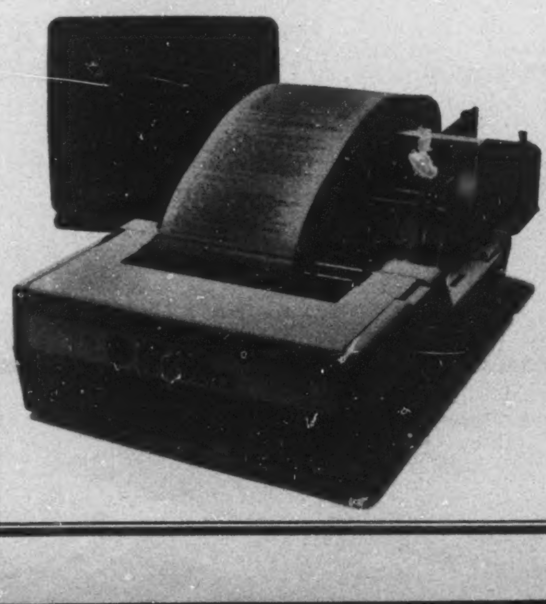

DOW JONES CAPITAL MARKETS REPORT

Fixed funds . . .

Landmark Union Trust, Fla.	9.5
First of Maryland	9.5
Oregon Bank	9.4
Summit & Elizabeth, N.J.	9.4
Toledo Trust, Ohio	9.3
Security-Peoples Trust, Pa.	9.3
Commonwealth Natl., Pa.	9.3
BancTexas, Dallas	9.3
Wachovia Bank, N.C.	9.3
State Mutual Life, Mass.	9.3
First Tennessee, Chat.	9.2
North Carolina Natl. Bank	9.2
Bessemer Trust, N.Y.	9.2
First of Bartlesville, Okla.	9.2
St. Louis County Bank, Mo.	9.2
LBKL Index	**8.5**

Ten-year returns

	%
Commerce Union, Tenn.	10.3
Hibernia National, La.	9.9
Seattle 1st Natl., Wash.	9.8
Fourth Natl., Wichita, Kan.	9.6
US Trust, N.Y.	9.4
Fidelity Bank, Pa.	9.3
Manufacturers Hanover, N.Y.	9.2
Jefferson Trust, Ill.	9.2
Centerre Trust, Mo.	9.2
First Merch., Richmond, Va.	9.1
Texas Commerce	8.9
Allied Bank, Tex.	8.8
Bankers Trust B, N.Y.	8.8
Mercantile Trust, Mo.	8.6
Connecticut General	8.6
Mercantile Safe, Md.	8.4
State Natl., Conn.	8.4
First Wis. Natl., Madison	8.3
Massachusetts Mutual	8.2
First Kentucky Trust	8.2
Union Planters, Tenn.	8.1
First Interstate of Calif.	8.1
Puget Sound Natl., Wash.	8.1
Morgan Guaranty, N.Y. (Comp)	8.0
Wachovia Bank, N.C.	8.0
Bankers Trust, N.Y. (A)	8.0
Manufacturers Detroit	8.0
First of Bartlesville, Okla.	8.0
Oregon Bank	7.9
Crocker National, Calif.	7.9
American Bank, Tenn.	7.9
Comerica Bank, Mich.	7.9
First Natl. of Commerce, La.	7.9
American Fletcher, Ind.	7.8
Citizens Fidelity, Ky.	7.8
Landmark Union Trust, Fla.	7.8
Summit & Elizabeth, N.J.	7.8
North Carolina Natl. Bank	7.7
American Fletcher (Int. Mat.)	7.7
United Missouri, K.C.	7.7
First Pennsylvania Bank	7.7
Lincoln National, Ind.	7.7
LBKL Index	**7.5**

Equity advisers beat indices

SAN FRANCISCO—Last year, more than half the equity managers surveyed by Callan Associates Inc. outperformed the S&P 500 stock index.

Fewer bond managers beat their index.

According to Callan, an employee benefits consulting firm, 58% of the 209 equity managers it surveyed beat the 1982 Standard & Poor's 500 return of 21.49%. Less than half, 43%, of 114 fixed-income managers beat the Lehman Bros. Kuhn Loeb Government/Corporate Bond Index. These managers together invest about $560 billion in assets.

Sixty percent of the equity managers beat the 15.22% return of the S&P 500 index over three years, ending in December 1982, and 67% beat the 14.06% index return for the five-year period. However, over 10 years, only 41% of the equity managers made a return above the 6.7% S&P 500 index.

Over three years, 42% of the bond managers' portfolios outpaced the Lehman Bros. index's 13.15% return; over five years, 49% beat the 8.44% index. The 7.46% 10-year return to that index was beaten by only 36% of the bond managers. ■

Top equity funds by size

1-year returns

Over $100 million

	%
Mercantile at Dallas	35.6
Equitable Life (No. 4)	26.8
Massachusetts Mutual	26.4
Citibank, N.Y.	26.3
Harris Trust, Ill.	25.5
Natl. City, Cleveland	23.9
Northwestern Natl., Minn.	22.9
CREF	21.9
Connecticut General	21.5
Natl. Bank of Detroit	21.5

$50 million to $100 million

	%
Mutual Benefit, N.J.	34.5
US Natl. of Oregon	30.6
Interfirst Invt. Mgmt. Tex.	30.0
Chase Manhattan, N.Y.	28.3
Bankers Trust, N.Y.	25.9
Philadelphia Natl., Pa.	25.0
Provident Natl., Pa.	24.1
Trust Co. of Georgia	23.8
First of Chicago	23.0
Ameritrust, Ohio	20.5

$10 million to $50 million

	%
Security Pacific, Calif.	61.3
First of Birmingham, Ala.	47.4
First Variable Life, Ark.	46.8
New England Mutual, Mass.	43.2
Conn. Bank & Trust	32.0
Colorado Natl. Bank	30.5
Bank of Delaware	30.0
Minnesota Mutual	29.8
Equitable Trust, Md.	29.5
Northern Trust, Ill.	29.0

Under $10 million

	%
United of Denver	49.0
Union Commerce, Ohio	46.6
First Bank, Milwaukee	43.6
Home Life, N.Y.	37.9
First Tennessee, Chat.	36.1
Ohio Citizens Trust	34.0
Commonwealth Natl., Pa.	33.3
Interfirst Bank, Austin	32.0
Southeast Bank, Fla.	31.2
Allied Bank, Tex.	30.6

10-year returns

Over $100 million

	%
Bankers Life, Iowa	10.8
Equitable Life (No. 4)	9.8
Mercantile at Dallas	8.3
Connecticut General	8.0
Massachusetts Mutual	8.0
Natl. City, Cleveland	7.2
Northwestern Natl., Minn.	6.8
Travelers, Conn.	6.6
Equitable Life (No. 1)	6.5
Chemical Bank, N.Y.	6.4

$50 million to $100 million

	%
US Natl. of Oregon	11.4
Provident National, Pa.	8.4
First Pennsylvania Bank	8.0
Life of Virginia	8.0
Philadelphia Natl., Pa.	7.6
Interfirst Invt. Mgmt. Tex.	7.0
Pacific Mutual, Calif.	6.8
Sentry Life, Wis.	6.5
Crocker Natl., Calif.	6.4
Ameritrust, Ohio	6.1

$10 million to $50 million

	%
Guardian Insurance, N.Y.	14.3
First Variable Life, Ark.	14.2
Bessemer Trust, N.Y.	12.9
First Wis. Natl., Madison	12.5
First of Birmingham, Ala.	12.4
US Natl. of Galveston, Tex.	12.1
First Trust Corp., Colo.	11.5
Hibernia National, La.	10.0
Landmark Union Trust, Fla.	9.2
Minnesota Mutual	8.9

Under $10 million

	%
Philadelphia Life, Pa.	14.0
Citizens Chillicothe, Mo.	12.8
Home Life, N.Y.	11.5
Capital Bank, Houston	11.4
Pittsburgh Natl. (QMS)	9.4
United of Denver, Colo.	8.9
Crown Life, Ont.	8.7
First of Kenosha, Wis.	8.6
Olympic Bank, Wash.	8.6
First Natl. of Commerce, La.	8.3

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22.2% median . . .

Continued from page 23

First National Bank of Denver), 26.5%.

For the five-year span, Citizens Chillicothe Bank, Missouri, scored the highest with a 26% return on investment. Philadelphia Life, a subsidiary of Tenneco Financial Service Inc., has a 26.4% rate of return and Intrawest again places in the top third with 25.6%.

For the past decade, Guardian Life Insurance Co. of America, New York, scores first place with 14.3%. Meridian Management was second for the decade with a 14.2% return, and also was the fourth-highest scorer last year and top decile performer.

Philadelphia Life comes in third place with a 14% return for the past decade. However, Tom Witt, vice president-Tenneco, declined comment on the company's equity strategy.

The majority of the managers interviewed who had high returns last year point to disinflation plays in consumer-related and interest-sensitive issues.

Specific sectors dishing out high returns to managers were the brokerage firm stocks, consumer-related and capital goods stocks, health care, mobile homes, medical and technology stocks.

Very few managers were able to get good numbers from smart plays in smokestack industries or emerging-growth stocks, but Lee Bodenhamer, president of Meridian Management, was one manager who did very well this way.

In the long haul, successful and consistent money managers most commonly define themselves as contrarians and "bottom-up" stock pickers, excelling in picking the undervalued, out-of-favor or "squeezed bone dry" stocks.

Interestingly, only one manager interviewed—First Interstate Investment Advisers—is a successful and self-defined market timer.

While First Interstate had a good three-year track record and a fantastic year in '81 from its 100% cash position, 1982 caused problems because of the firm's investment in non-performing interest-sensitives and consumer stocks, according to Robert Lee, president.

For a profile of consistency and excellence, a closer look at First of Birmingham is in order. John Goff Jr., senior vice president of the bank's trust department, swears by the undervalued, out-of-favor strategy.

In addition, he said, the consistent top decile performance for the past decade is partially attributable to the bank's adhering to its investment strategy and philosophy.

The bank's buy strategy is the undervalued stocks, but its sell strategy is based on the economic outlook at the time. Lastly, the bank looks at sectors of the market.

"We don't weight portfolios like the S&P 500 and tend to be under-diversified as a result," he said. The bank also concentrates on the "normalized"-read realistic-earnings of a company, he said.

First of Birmingham moved into the interest-sensitive and consumer areas in the early part of '81, Mr. Goff said, when the bank was looking for a big slowdown in the economy affecting long- and short-term interest rates.

Specifically, the bank made money in the money-center bank stocks and Federal National Mortgage Association securities.

In 1982, the bank moved heavily into the bank and auto stocks, he said, and moved a percentage of cash into the building industry as well. Also last year, the bank went into some of the companies with cyclical types of earnings, right before the big market push in August, he said.

First of Birmingham also did very well in three retail stocks in which it had heavy commitments. At the same time, it got good returns on its tire and rubber stocks too.

While the bank has not made any major shifts in its equity portfolio this year, Mr. Goff did say the bank is looking into the heavy cyclical stocks, such as steel, chemical and coal stocks. However, because of the uncertain outlook for these industries, the moves are still being contemplated. ■

Bush seeks comments

WASHINGTON—The Task Group on Regulation of Financial Services, chaired by Vice President George Bush, has requested public comment and proposals for reform of the financial regulatory structure.

The task group particularly is interested in obtaining information on the cost of complying with the statutory and regulatory requirements. Those interested in submitting opinions should send two copies of written data to: Task Group on Regulation of Financial Services, Room 1060, Department of the Treasury, 15th Street and Pennsylvania Avenue N.W., Washington D.C., 20220. ■

January, 1983

The Equitable Life Mortgage and Realty Investors

has been acquired by

The Equitable Life Assurance Society of the United States

The undersigned acted as financial and real estate advisor to The Equitable Life Mortgage and Realty Investors in connection with this transaction and assisted in the related negotiations.

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Pooled fixed funds . . .

Continued from page 23

ally exchanged some of that for other zero-coupon issues. Today, the portfolio still consists of 60% zero coupon issues, with 30% of the total portfolio in the Pepsico issue.

Pioneer Bank, Chicago, ranked second for the quarter with 13.4%, considerably behind American National. The third-place ranking at 12.6% was held by Commerce Union Bank, in Nashville, and the fourth by Marine Trust Co., Milwaukee, at 12.4%.

Commerce Union Bank also garnered the best return for the year with 50.6%, and top places in the three-, five- and 10-year statistics. In the three-year figures, Commerce ranked third with 17.3%; it was second for the five-year period with 12.4%; and was first, at 10.3%, for 10 years.

Commerce's fixed-income strategy, according to Weaver Barksdale, senior vice president, relied heavily on timing considerations, moving the portfolio in and out of the bond market based on an analysis of economic conditions and an expectation of the cycle of interest rates. The portfolio's good returns in the past 1½ years can also be attributed to a strategy of utilizing zero-coupon issues, he added.

Other top performers for the one-year statistics included Central National Bank, Cleveland, in second place with a return of 42.5% and Commonwealth National Bank, Harrisburg, Pa. with 42.4%.

The median fund at 29.4%, however, again was below the 31.1% for the index.

For the three-year span, the top performers besides Commerce Union were First Merchant Bank, Richmond, Va., with an annualized return of 17.5% and American National Bank of Austin with 17.4%.

First Merchant Bank achieved first place in the three-year statistics with its practice of buying out-of-favor and newer sectors of the bond market until those sectors became more popular, and then selling them and replacing them with more out-of-favor issues, according to Stuart Sachs, senior vice president, trust investment division.

The five-year statistics showed Fourth National Bank and Trust Co., Wichita, Kan. in top place with an annual return of 13.4%; Texas Commerce Bank, Houston, second with a return of 12.6%; and Commerce Union in third with 12.4%.

Fourth National attributed its return to good market timing. The fund moved to a 10% position in commercial paper, short Treasuries, and short-term governments in mid-1978 and then maintained that position until late 1980, said Cleo G. Simmonds, vice president in charge of trust investment.

In the past two years, the fund has moved to a fully invested position, using a combination of 20-to-30-year bonds, zero-coupon issues and a few deep discount bonds.

Some of those sectors that were utilized heavily during the past three years included floating-rate notes, U.S. Treasury bonds, Government National Mortgage Association securities and A and Baa rated electric utility high coupon cushion bonds.

The median fixed-income fund for three years at 12.4% continued to underperform the index's 13.2%, and again in the five- and 10-year statistics. At five years, the median was 8.1% compared with 8.5% for the index, and for 10 years, the index received 7.5% while the median was at 7.1%.

For 10 years, Commerce Union achieved the top return with 10.3%, Hibernia National Bank, New Orleans, was second with 9.9% and Seattle-First National Bank, Seattle, was third with 9.8%. ■

Top fixed funds by size

1-year returns

Over $100 million

	%
Centerre Trust, Mo.	41.3
Connecticut General	37.5
Citibank, N.Y.	36.6
First of Chicago	36.2
Chase Manhattan, N.Y.	35.2
Texas Commerce	34.3
Equitable Life, N.Y.	33.6
Natl. Bank of Detroit	32.8
Comerica Bank, Mich.	31.4
Manufacturers Han., N.Y.	31.4

$50 million to $100 million

	%
Intrawest, Colo.	36.5
Marine Midland, N.Y.	35.3
Northwestern Natl., Minn.	33.8
Northern Trust, Ill.	28.6
Fidelity Bank, Pa.	25.2
First of Minneapolis	22.5
First Pennsylvania Bank	18.6

$10 million to $50 million

	%
Central Natl., Cleveland	42.5
Commonwealth Natl., Pa.	42.4
First of Birmingham, Ala.	41.4
First Wis. National	40.4
United of Denver, Colo.	39.5
Hawaiian Trust	39.3
Colorado National Bank	36.7
US Natl. of Oregon	36.3
Natl. of Commerce, Neb.	35.6
Mercantile at Dallas	35.5

Under $10 million

	%
Commerce Union, Tenn.	50.6
Union Planters, Tenn.	41.2
Wheeling Dollar Bank	39.6
Allied Bank, Tex.	38.6
American National, Minn.	37.6
Bank of California	37.0
Pacific Mutual, Calif.	36.0
Ohio Citizens Trust	35.5
Fidelity Union, N.J.	35.4
South Trust Bank, Ala.	35.1

10-year returns

Over $100 million

	%
US Trust, N.Y.	9.4
Manufacturers Hanover, N.Y.	9.2
Centerre Trust, Mo.	9.2
Texas Commerce	8.9
Connecticut General	8.6
Comerica Bank, Mich.	7.9
Citibank, N.Y.	7.5
Natl. Bank of Detroit	7.3
First of Chicago	7.2
Hasrris Trust, Ill.	7.0

$50 million to $100 million

	%
Fidelity Bank, Pa.	9.3
First Pennsylvania Bank	7.7
LBKL Govt. Corp. Index	7.5
Northern Trust, Ill.	7.4
First of Minneapolis	7.1
Marine Midland, N.Y.	6.8
Northwestern Natl., Minn.	6.6

$10 million to $50 million

	%
Hibernia National, La.	9.9
Seattle 1st Natl., Wash.	9.8
Fourth Natl., Wichita, Kan.	9.6
Jefferson Trust, Ill.	9.2
First Merch., Richmond, Va.	9.1
Bankers Trust B, N.Y.	8.8
Mercantile Trust, Mo.	8.6
First Wis. National	8.3
Massachusetts Mutual	8.2
First Interstate of Calif.	8.1

Under $10 million

	%
Commerce Union, Tenn.	10.3
Allied Bank, Tex.	8.8
State Natl., Conn.	8.4
Union Planters, Tenn.	8.1
Puget Sound Natl., Wash.	8.1
First of Bartlesville, Okla.	8.0
Oregon Bank	7.9
American Bank, Tenn.	7.9
First Natl. of Commerce, La.	7.9
Lincoln National, Ind.	7.7

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Donaldson, Lufkin & Jenrette Securities Corporation
Drexel Burnham Lambert Incorporated
E. F. Hutton & Company Inc.
Kidder, Peabody & Co. Incorporated
Prudential-Bache Securities
L. F. Rothschild, Unterberg, Towbin
Shearson/American Express Inc.
Smith Barney, Harris Upham & Co. Incorporated
Dean Witter Reynolds Inc.
Carroll McEntee & McGinley Securities Corporation
Craigie Incorporated
Discount Corporation of New York
Morgan, Keegan & Company, Inc.
New York Hanseatic Division of The Securities Groups
Thomson McKinnon Securities Inc.

Features

Passport to foreign investing

Local market, not currency, may be ticket to good return

By Barry Gillman

WHEN THE subject of pension funds investing internationally is discussed, comments such as the following often are heard.

"International investments only do well when the dollar is weak."

"Currency movements are the most volatile element of international investing."

"No one can successfully predict currency movements."

We believe the third statement is arguable and the other two are untrue.

However, recent currency fluctuations have gained them wide acceptance at a time when fundamental analysis techniques appear to have gone awry in forecasting exchange rates.

In this article, some facts and figures are examined to check just how important currency swings have been in recent years, notably since the era of floating exchange rates started in 1973.

But first, are these swings really unpredictable?

Conventional long-term fundamental forecasts rely heavily on relative inflation differentials between different countries. However, using this model as a short-term predictor is not useful.

The reason is simple. Currencies tend to move cyclically around these theoretical parties, and the typical peak to trough of this cycle may be as long as three to four years. Thus, a currency can remain "overvalued" or "undervalued" for some time without contradicting the model.

During the past couple of years, the strength of the dollar and corresponding weakness of other currencies such as the yen and deutsche mark has caused many analysts to throw their hands in the air and their forecasts out the window, as currency movements flew in the face of long-term analytic logic.

It may well be that the past two years merely represent a large but nevertheless cyclical swing around the long-term trend. If so, the next two years may see the corresponding cyclical correction.

Whether this turns out to be the case or not, plan sponsor attention is now firmly focused on the volatility of currency swings. How justifiable are these fears?

Let's look at 1973-'81; nine calendar years encompassing the era of floating exchange rates, as well as major bull and bear markets on the world's stock exchanges.

Taking a simplistic "broad-brush" approach, we compared the annual arithmetic average of both currency and local market movements over the nine years, disregarding whether these movements were plus or minus (see Table 1). The result is shown in the two left-hand columns of the table.

Clearly the average market swings (ranging from 12% in Germany to 52% in Hong Kong) were significantly greater than the average currency swings (3% in Canada to 12% in Japan).

The difference is even more pronounced when you look at the extremes in these movements. The biggest move in any currency in any year was 23% (the yen in 1978).

However, the biggest market move in any year was a massive 152% (U.K. in 1975). This is more evidence that the real key is in the local markets, not the currency.

Another important factor starts to become clear when you look at the cumulative figure over the whole period.

Currency movements tend to cancel out over time, but market movements accumulate. This is shown in the "aggregate effect" columns on the chart.

The aggregate currency moves over nine years include four negatives and three positives, bracketing a range of minus 19% to plus 43%. However, all the market moves were positive, ranging from 43% in Germany to 168% in Canada.

The last column in the table acts as a score card showing in how many of the nine years currency was a more important component of return than the local market for each country.

With the exception of Germany, the answer is not many. Thus, it seems safe to conclude that if the international investor is going to concentrate his primary efforts on either markets or currencies, it makes sense to look at markets first, currencies second.

Of course, it would be nice to get both market and currency judgments right. In fact, it's not uncommon to hear investors claim that markets and currencies tend to move up or down together, so there really is only one judgment to be made. Let's examine this in the light of the experience between 1973 and 1981.

Once again, we've taken a "broad-brush" approach. Table 2 breaks down for each country how the direction of currency moves against the dollar varied according to whether the local market was heading up or down.

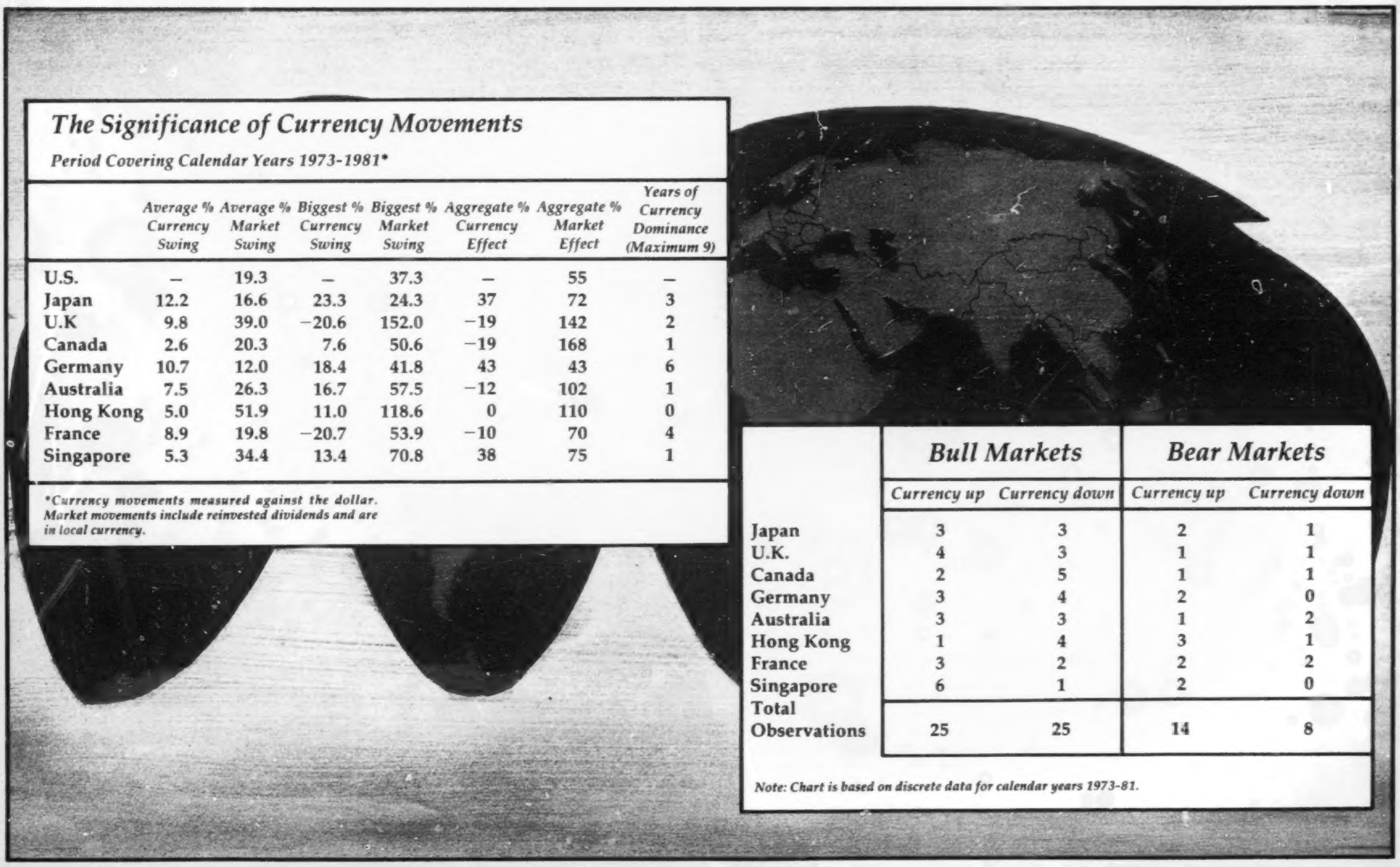
Although the results vary country by country, the bottom line totals are interesting. In local bull markets, the currency move was down as often as it was up.

This suggests that the strong market/strong currency hypothesis may not hold water.

In local bear markets, there are more currencies up than down, but the data is by no means conclusive.

So, when pension plan sponsors gather to discuss international investing, it may be appropriate to put currency firmly in its place on the agenda—but not as the top item. ■

Barry Gillman is vp of international investments at Citi-Investments, New York. He is a fellow of the Institute of Actuaries and an associate of the Society of Actuaries.



The Significance of Currency Movements

*Period Covering Calendar Years 1973-1981**

	Average % Currency Swing	*Average % Market Swing*	*Biggest % Currency Swing*	*Biggest % Market Swing*	*Aggregate % Currency Effect*	*Aggregate % Market Effect*	*Years of Currency Dominance (Maximum 9)*
U.S.	–	19.3	–	37.3	–	55	–
Japan	12.2	16.6	23.3	24.3	37	72	3
U.K	9.8	39.0	−20.6	152.0	−19	142	2
Canada	2.6	20.3	7.6	50.6	−19	168	1
Germany	10.7	12.0	18.4	41.8	43	43	6
Australia	7.5	26.3	16.7	57.5	−12	102	1
Hong Kong	5.0	51.9	11.0	118.6	0	110	0
France	8.9	19.8	−20.7	53.9	−10	70	4
Singapore	5.3	34.4	13.4	70.8	38	75	1

**Currency movements measured against the dollar. Market movements include reinvested dividends and are in local currency.*

	Bull Markets		*Bear Markets*	
	Currency up	*Currency down*	*Currency up*	*Currency down*
Japan	3	3	2	1
U.K.	4	3	1	1
Canada	2	5	1	1
Germany	3	4	2	0
Australia	3	3	1	2
Hong Kong	1	4	3	1
France	3	2	2	2
Singapore	6	1	2	0
Total Observations	25	25	14	8

Note: Chart is based on discrete data for calendar years 1973-81.

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Pensions &
Investment Age

The newspaper of corporate and institutional investing • Special issue • $3.50 • April 4, 1983

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The nation's leading advisers

(Ranked by tax-exempt assets; figures are in $ millions)

1	Equitable Life Assurance	32,600
2	Prudential Insurance	27,378
3	TIAA CREF	25,120
4	Aetna Life Insurance	23,885
5	Metropolitan Life	21,128
6	Morgan Guaranty	19,300
7	Bankers Trust Co	18,800
8	Travelers Insurance TIMCO	14,264
9	Alliance Capital	13,245
10	CIGNA Corp	12,740
11	Manufacturers Hanover	12,600
12	Citicorp	12,217
13	John Hancock	11,057
14	State Street Research	10,100
15	Jennison Associates	9,000
16	Mellon Bank	8,771
17	Chase Investors	8,500
18	Fayez Sarofim & Co	8,461
19	Capital Guardian Trust	8,322
20	Chemical Bank	7,984
21	Batterymarch	7,891
22	Loomis, Sayles & Co	7,485
23	Wells Fargo	7,200
24	T. Rowe Price Associates	7,125
25	State Street Bank	7,100
26	Bankers Life	6,918
27	Harris Trust	6,748
28	Scudder, Stevens & Clark	6,577
29	National Bank of Detroit	6,400
30	Wilmington Trust Co	6,000
31	Brown Bros., Harriman	5,780
32	Fiduciary Trust Co	5,600
33	The Putnam Advisory Co.	5,373
34	The Northern Trust Co	5,117
35	Continental Illinois	4,913
36	Stein Roe & Farnham	4,800
37	First National-Chicago	4,726
38	Thorndike, Doran, Paine	4,714
39	American National-Chicago	4,500
40	First National-Boston	4,300
41	Delaware Investment	4,256
42	New York Life	4,222
43	Trust Co. of the West	4,200
44	Forstmann-Leff	4,121
45	Bank of New York	4,100
46	Pacific Investment	4,078
47	AmeriTrust Co	4,053
48	The Boston Co	4,021
49	MacKay-Shields Financial	3,922
50	Oppenheimer Capital	3,917
51	Funds Advisory Co	3,900
52	Rosenberg Capital	3,812
53	New England Mutual	3,400
54	RepublicBank Dallas	3,369
55	Lehman Management Co.	3,335
56	Massachusetts Mutual	3,200
57	Boatmen's National	3,155
58	IDS Advisory Group	3,127
59	Lincoln National Life	3,068
60	Capital Supervisors Inc	3,059
61	Crocker Investment	3,000
62	Crocker National Bank	3,000
63	InterFirst Bank Dallas	2,900
64	Mutual Benefit Life	2,860
65	Bernstein-Macaulay Inc	2,850
66	Centerre Trust Co	2,832
67	American Fletcher	2,817
68	First City National Bank	2,800
69	First Trust Co., St. Paul	2,735
70	United States Trust Co	2,700
71	NCNB National Bank	2,667
72	Mutual of New York	2,650
73	C & S Investment	2,600
74	Security Pacific Corp	2,560
75	BEA Associates Inc	2,506
76	Northwestern National	2,500
77	Brundage, Story & Rose	2,450
78	Eberstadt Asset	2,318
79	Kemper Financial	2,300
80	National City Bank	2,300
81	BA Investment	2,291
82	Columbia Management	2,281
83	Irving Trust Co	2,248
84	Pacific Mutual	2,175
85	Connecticut National	2,149
86	Massachusetts Financial	2,149
87	Western Asset	2,112
88	Texas Commerce Bank	2,100
89	Wachovia Bank & Trust	2,076
90	Neuberger & Berman	2,036
91	American Security Bank	2,032
92	Fischer, Francis	2,000
93	Trust Co. Bank	2,000
94	Miller, Anderson	1,922
95	Chemical Mortgage Co	1,900
96	Pittsburgh National Bank	1,900
97	Union Mutual Life	1,900
98	Hibernia National Bank	1,871
99	Endowment Management	1,857
100	David L. Babson Co	1,855
	TOTAL	593,253

Rankings

List by size

Full coverage, including statistics, rankings & profiles, starts on page 23.

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$4.5 million sought by broker

Loss of realty business from unions prompts suit

By Steve Hemmerick

LOS ANGELES—A fierce legal battle has begun over substantial fees earned from borrowers seeking real estate loans from a group of Southern California construction union pension trusts.

The suit, seeking at least $4.5 million, was brought by a real estate broker against two attorneys working with him in presenting real estate financing packages to the construction unions' Development Foundation of Southern California.

The foundation was formed in part to encourage construction financing for the ailing industry; unions in the foundation consider and often jointly act as lenders in real estate permanent financings. The foundation selects mortgage brokers that present them with real estate financing proposals; not all mortgage brokers can do so.

John Hebert, a real estate broker and president of Union Mortgage Bankers in Torrance, filed suit for at least $4.5 million in "lost profits" and damages the suit says are a result of a conspiracy and the termination of his firm's relationship with the foundation.

Mr. Hebert charges the defendants named in the suit, Albert Brundage and Edwin Davis, "breached their fiduciary duty by acts designed to wrongfully oust plaintiff (Mr. Hebert) from participation in the business affairs of the Foundation, and by inducing the members of the Foundation to exclude (him) from further participation in Foundation business."

Contacted by *Pensions & Investment Age*, Mr. Brundage said there is "no substance to any of the allegations" made by Mr. Hebert. He added, "this is really a picayunish matter."

However, Mr. Hebert said the suit "was going to be a gigantic blowup here," and added, "This is the tip of the iceberg. It is going to drag in a lot of members of the foundation."

The suit charges the defendants with five causes of action, including conspiracy to destroy business, breach of fiduciary duty, constructive fraud, attorney malpractice and unfair competition. The suit also charges Mr. Brundage and Mr. Davis formed a consulting firm to "convert" the business and assets of Mr. Hebert to their own use.

Mr. Hebert would not give specifics on his charges.

The suit asks $1 million in general damages, $1 million for lost profits, $500,000 for injury to plaintiff's business reputation and good will, and $2 million for punitive damages.

According to the lawsuit filed in Los Angeles County Superior

Continued on page 101

Public hearing scheduled for HBJ plan investment

By Ivy Schmerken

NEW YORK—The Department of Labor will hold a public hearing on a pension fund investment by the Harcourt Brace Jovanovich retirement fund.

HBJ is seeking an exemption to invest part of its pension plan assets in new corporate offices for the company. The Labor Department's decision to hold the public hearings was prompted by protests over that investment by some plan participants. The public hearing is scheduled for April 29.

At issue is the HBJ plan's investment in corporate offices now under construction in Orlando, Fla. The company said that by the time the building is completed in mid-1984, the plan will have invested about $28.8 million.

According to the company, the investment now represents about 37% of plan assets, but the percentage will change as plan assets grow. HBJ currently has $67.2 million in pension plan assets.

Some plan participants oppose placing such a large proportion of the assets into a single real estate holding.

The Labor Department said it received seven letters, including two requests for a hearing from plan participants who include retirees and vested beneficiaries, some of whom no longer are working at the publishing house.

William Jovanovich, chairman, contends the opposition comes from "one or two employees" who allegedly are "bitter" over not being asked to move with the company, which is leaving New York for offices in Orlando, Cleveland and San Diego. The relocation is expected around April 1984.

Mr. Jovanovich called the public hearing wasteful. He added, however, that this did not mean he opposed an open inquiry.

An application from HBJ to exempt the investment from certain prohibited transaction sections of the Employee Retirement Income Security Act is pending before the Labor Department; the exemption is necessary because HBJ is a fiduciary of the plan and the investment may violate party-in-interest rules. A final decision is not likely until after the hearing.

The defined benefit pension plan made the real estate investment in November 1982, based on a tentative go-ahead from the department.

Last October, HBJ asked the department to grant the plan a retroactive exemption to enable it to proceed with its Florida investment.

A Labor Department spokesman told *Pensions & Investment Age* in January that the department would stand by its tentative decision to grant an investment exemption if there weren't any substantive protests to the move, which was announced in the Federal Register Dec. 10, 1982.

However, some plan participants in letters to the Labor Department questioned the prudence of tying a substantial portion of plan assets to the creditworthiness of the publishing firm, which plans to sign a 15-year rental lease and will be the

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Vol. 11, No. 7—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Late news

Continued from page 3

fited from the sale.

The shares when placed in the fund were valued at $23.15 per share, totaling $57.9 million; they were sold for $30.65 per share, Alcoa's report states. The 2.5 million-share sale at that price would have brought the fund $76.63 million, $18.73 million more than the value upon contribution. Alcoa's stock contribution constituted about 32% of its $179.6 million 1982 contribution.

McDonald to join TCW

LOS ANGELES—Steve McDonald has resigned his position as senior vice president at Crocker Bank to join Trust Co. of the West as a managing director and client relations officer.

According to Ernest O. Ellison, TCW president, Mr. McDonald will begin a national marketing effort for TCW to Taft-Hartley and public pension funds.

Firm forms subsidiary

DAYTON, OHIO—Mead Corp. has formed Mead Management Co., an investment management subsidiary, according to Richard Davis, the new unit's president.

So far, Mead Management is running approximately $300 million in assets, with $70 million coming from Mead Corp.'s Employee Retirement Income Security Act funds, he said. The remaining $230 million or so is made up of insurance-related domestic and offshore corporate assets.

Mead Corp.'s pension fund consists of $450 million in assets.

Fund hires 2 for fixed

WASHINGTON—The Central Pension Fund of the International Union of Operating Engineers and Participating Employers reportedly hired two new fixed-income managers. Starbuck, Tisdale & Williams of Santa Barbara, Calif., and Funds Advisory of Houston reportedly were given about $20 million each. Officials of the fund, which has assets of more than $750 million, would not comment.

IDS Trust Co. tapped

MINNEAPOLIS—Valspar Corp. has hired IDS Trust Co. to manage $1 million of its $15 million in assets in its profit-sharing retirement trust.

Valspar will be using IDS Trust's Income Fund as its investment selection for the plan.

Sumitomo Trust hires

NEW YORK—Sumitomo Trust & Banking Co., one of Japan's largest financial institutions, has hired Richard Ellis Inc., the U.S. subsidiary of the international real estate consulting firm Richard Ellis, to act as its exclusive adviser on investing in commercial property in the United States.

Sumitomo, based in Osaka, holds more than $40 billion in assets. Representing a client list that includes pension funds, institutions, corporations and individuals, Sumitomo is regarded as a leading real estate adviser to pension funds in its own country and invests $2 billion a year in the medium.

Ms. Jaffe appointed

NEW YORK—Suzanne Jaffe, an executive vice president of Lehman Management Co., has been appointed deputy comptroller for the New York State Common Retirement System's division of investments and cash management.

Ms. Jaffe succeeds William Foulk who is leaving the chief investment post at the $18 billion public retirement system to return to the private sector.

On May 1, Mr. Foulk will rejoin Trident Partners, his investment counseling business.

Ms. Jaffe, in her new position, will report to State Comptroller Ned Regan regarding the investment of virtually all state funds.

Court hears bias case

WASHINGTON—The Supreme Court heard arguments on March 28 against providing female employees a lower annuity benefit than men for the same level of contributions.

The suit was brought by Nathalie Norris against the state of Arizona. Ms. Norris charged that the use of sex-based mortality tables by the state's deferred compensation plan is discriminatory.

The tables assume women as a group live longer than men, and provide women with lower monthly benefits.

Attorneys for Ms. Norris told the high court that women must be treated as individuals under Title VII of the 1964 Civil Rights Act.

The argument was based largely on an earlier Supreme Court ruling, Los Angeles vs. Manhart, in which the high court held that Title VII prohibits employers from requiring female employees to contribute more than males for the same retirement benefit.

Chemical Bank considers spin-off of trust division

By Richard J. Gillespie

NEW YORK—Chemical Bank executives are mulling over a proposal to spin off the $8 billion trust and investment division into a separate subsidiary, according to Kenneth L. Dowd Jr., a senior vice president in the division.

The proposal has not been filed with the Securities and Exchange Commission.

Referring to a number of investment subsidiaries Chemical Bank owns in other states, Mr. Dowd said these units found it easier to recruit and retain talented managers.

"We feel the success we have had in other areas makes us feel we can attract and keep better people in the long run as a regular investment adviser," he said.

While the creation of a subsidiary would enable the bank to attract and keep investment talent by offering more lucrative compensation packages, Mr. Dowd said the bank already had good investment performance results and added it might prove unnecessary to set up as a subsidiary.

"There is no magic in suddenly changing your clothes, but we do think there may be recruitment pluses," he said.

The bank already owns Van Deventer & Hoch in Glendale, Calif.; Investment & Capital Management Group in Rolling Meadows, Ill.; Gulf Investment Management in Houston; and Albuquerque Capital Management in Albuquerque.

Other banks have spun off investment satellites in the past, sometimes to slough off the stigma associated with bank trust departments. The move also can improve a bank's marketing drive through the creation of better opportunities for entrepreneurial skills. ■

Investment adviser profiles

Top 100 firms run $955 billion in assets

Total assets increased 15.6% during 1982; tax-exempt assets grew by 20% to $593 billion

NEW YORK—The total assets managed by the nation's 100 largest investment management organizations increased by 15.6% to $955 billion during 1982, *Pensions & Investment Age's* annual survey shows.

Of this total, 62% or $593.2 billion is managed for tax-exempt institutions such as pension funds, endowments and foundations. These tax-exempt assets increased by 20% during 1982 from $494 billion at the end of 1981.

The increases in both total assets and tax-exempt assets managed by the top 100 firms came from new contributions and investment returns. While the asset growth was helped by the strong stock and bond markets in 1982—the Standard & Poor's 500 stock index was up 21.7% and the Lehman Bros. Kuhn Loeb Government/Corporate bond index was up 31.1%—it was retarded by lower short-term interest rates, which averaged 10.6% for 90-day Treasury bills.

Among the top 100 firms were 43 banks or non-bank trust companies managing $218 billion in tax-exempt assets, or 36.8% of the top 100 tax-exempt assets; 18 insurance companies managing $201 billion, 33.9% of the tax-exempt assets; and 39 investment counseling firms managing $174 billion, or 29.3%.

In 1981, banks managed 40.7% of the top 100's tax-exempt assets, insurance companies managed 35% and investment counseling firms managed 24.3%.

Money management firms just outside the top 100 in size showed far greater growth in 1982 than the very largest firms. The total assets managed by the second 100 climbed by 47%, to $232 billion, while tax-exempt assets managed by them jumped by 34%, to $108 billion.

Investment management firms profiled in *P&I Age* manage total assets of $1.37 trillion, of which $770 million is tax-exempt assets. A total of 604 firms were profiled; 595 managed assets, and nine were newly organized firms that do not yet have any assets under management.

Sixty-four of the managers described themselves as real estate investment managers. Assets invested in real estate totaled $46.8 billion.

Forty-one of the managers described themselves as international investment managers. Assets invested internationally for U.S. tax-exempt clients totaled $9.8 billion.

Options were used by 192 of the firms profiled, while 40 said they used stock index futures and 40 used fixed-income futures.

The asset mix at the end of 1982 for all managers profiled was 52% stocks, 27% bonds, 12% cash equivalents, 5% real estate equity, 2% mortgages and 2% other investments. For the 200 largest firms, the asset mix, excluding insurance company general account assets, was 47% stocks, 32% bonds, 11% cash, 4% mortgages, 4% equity real estate and 2% other.

However, the asset mix varied considerably among the adviser types, with investment counselors more heavily in stocks and less concentrated in bonds than either insurance companies or banks. Insurance firms, on the other hand, had more invested in mortgages.

The average asset mix for banks was 46% stocks, 37% bonds, 12% cash, 2% equity real estate, 1% mortgages and 2% other. The average asset mix for insurance companies was 30% stocks, 33% bonds, 6% cash, 6% equity real estate, 11% mortgages and 14% other. Investment counselors on average had 55 stocks, 23% bonds, 12% cash, 6% equity real estate, 2% mortgages and 3% other.

Equitable Life Assurance Society of the United States remained the largest manager of tax-exempt assets with $32.6 billion followed by Prudential Insurance Co. of America with $27.4 billion.

However, in terms of total assets, Prudential was on top with $66.7 billion; Metropolitan Life Insurance Co. was second with $50.2 billion. Morgan Guaranty, ranked sixth in tax-exempt assets managed with $19.3 billion, was the top bank or trust company, while Alliance Capital Management, ranked ninth with $13.2 billion, was the top investment counseling firm.

* * *

The information contained in the profile section was developed by *P&I Age's* editors via questionnaires. Figures for real estate include taxable assets; international investment figures are tax-exempt only.

In most instances where size of research staff is zero in the individual profiles, the analysts also serve as portfolio managers. Abbreviations for types of accounts are: C (corporate), E (educational endowment), F (private foundation), G (state & local government); J (jointly trusteed).

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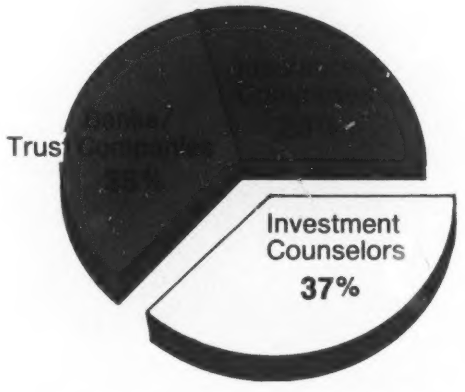
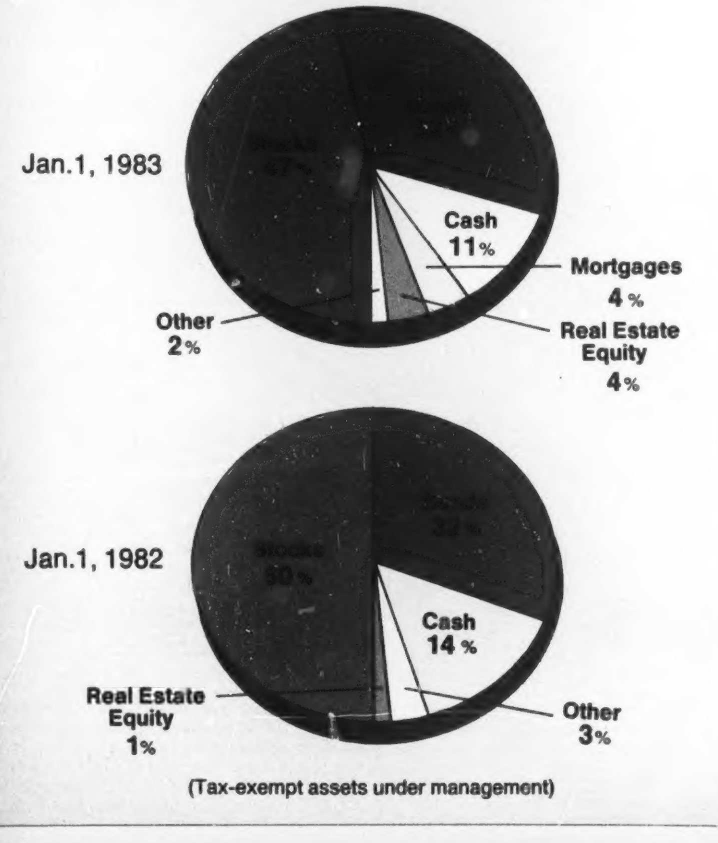
WHO RUNS THE MONEY?



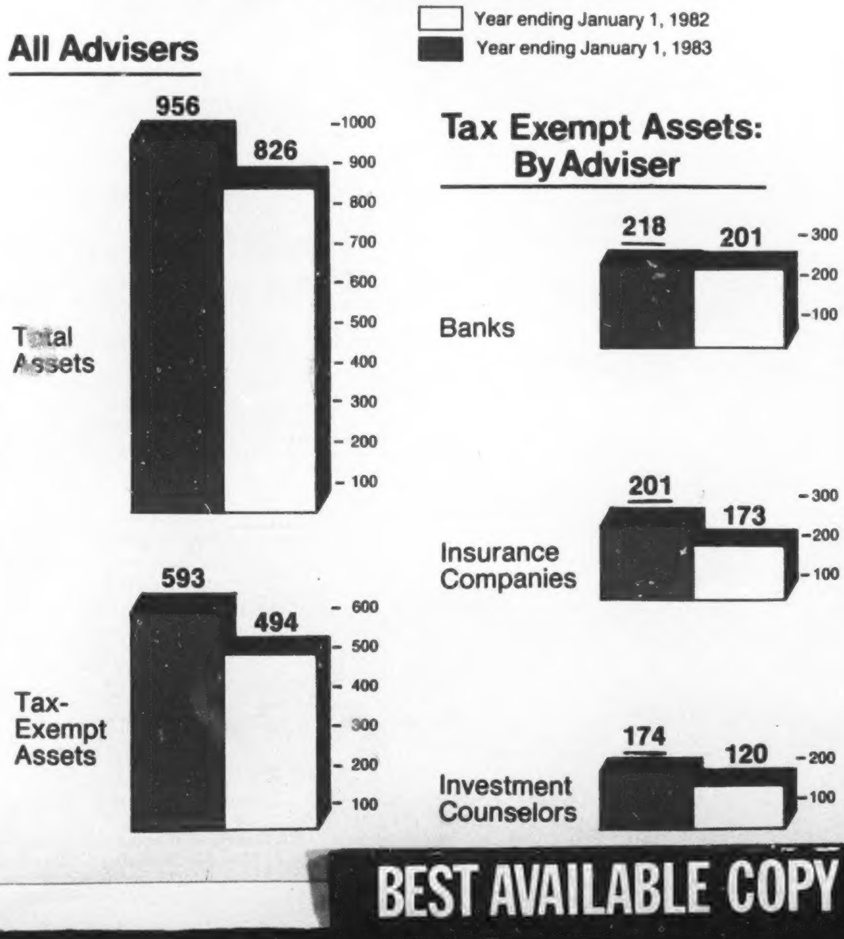
($770 billion in tax-exempt assets as of Jan. 1, 1983)

THE TOP 200 MONEY MANAGERS' AVERAGE ASSET MIX



(Tax-exempt assets under management)

THE TOP 100 GROWTH IN ASSETS (in billions)



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Profile statistics at a glance

Total profiled	604
Banks	132
Insurance companies	32
Investment counselors	421
New firms (no tax-exempt assets)	19
Total assets managed	$1,379,304,000,000
Top 200	$1,187,552,000,000
Top 100	$955,616,000,000
Tax-exempt assets managed	$769,957,000,000
Top 200	$701,930,000,000
Top 100	$593,253,000,000
Master trust assets	$301,742,000,000
Real estate assets managed (includes taxable assets)	$46,878,000,000
International assets managed	$9,815,000,000
Portfolio managers used on average	7
Size of average research staff	7
Stocks watched closely (average)	160
Stocks watched generally (average)	500
Research generated internally (average)	51%

Average asset mix:

	Banks	Insurance companies	Investment counselors
Stocks	46%	30%	55%
Bonds	37%	33%	23%
Cash	12%	6%	12%
Equity realty	2%	6%	6%
Mortgages	1%	11%	2%
Other	2%	14%	3%

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Geographical index p.82

a

ABD International Management Corp.

One Battery Park Plaza, New York, N.Y. 10004; (212) 952-7351

Total assets mgd.	$11,000,000,000
Tax-exempt assets mgd:	
Total	$52,000,000
Fully discretionary	$52,000,000
International assets mgd	$52,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	2
Types of accounts mgd	C
No. of portfolio mgrs	4
Size of research staff	77

ABD International Management, a subsidiary of the Dresdner Bank AG in West Germany, is an equity-oriented global investor. It uses a contracyclical equity approach and makes substantial changes in cash positions or earning asset classes and markets where appropriate to add value and avoid losses. It hedges currency exposure whenever necessary. For bonds, it emphasizes interest-rate anticipation and currency assessments and quality controls with a bias toward high-grade investments.

As of Jan. 1, the asset mix was 85% stocks, 10% bonds and 5% cash.

Clients include United Technologies and Rexnord Inc.

Ulrich S. Moser, president, is the chief investment officer and Jill B. Jordan is the client contact.

Abacus Realty Advisors Inc.

115 S. LaSalle St., Chicago, Ill. 60603; (312) 346-9172

Total assets mgd.	$3,000,000
Tax-exempt assets mgd:	
Total	$3,000,000
Fully discretionary	$3,000,000
Real estate assets mgd	$3,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	1
Types of accounts mgd	CJ
No. of portfolio mgrs	3
Size of research staff	0

Abacus Realty Advisors Inc., a newly formed real estate adviser, invests in high-quality real estate with a potential for increasing in value. Emphasis is on participating mortgages and equities.

As of Jan. 1, the asset mix was 100% participating mortgages.

Thomas J. Steel, executive vice president, is the chief investment officer; Patrick A. Martin, is the client contact.

Addison Capital Management

1435 Walnut St., Philadelphia, Pa. 19102; (215) 568-2600

Total assets mgd.	$35,000,000
Tax-exempt assets mgd:	
Total	$8,000,000
Fully discretionary	$8,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	4
Types of accounts mgd	CF
No. of portfolio mgrs	3
Size of research staff	0

Addison Capital Management follows a value-oriented and contrarian philosophy for equity investments. It pays the lowest price for earnings plowback and uses price momentum to discipline timing of purchases and sales.

As of Jan. 1, the asset mix was 80% stocks and 20% bonds.

Clients include Health Management System's profit-sharing plan and Otto Ltd.

Jay R. Massey, managing partner, is the chief investment officer and the client contact.

Aetna Life Insurance Co.

151 Farmington Ave., Hartford, Conn. 06156; (203) 273-0123

Total assets mgd.	$32,077,000,000
Tax-exempt assets mgd:	
Total	$23,885,000,000
Fully discretionary	$4,156,000,000
Real estate assets mgd	$1,114,000,000
International assets mgd	$22,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	4,100
Types of accounts mgd	CEGJ
No. of portfolio mgrs	28
Size of research staff	35

Aetna emphasizes individual stock selection based on fundamental in-house research, and controls risk by establishing guidelines for cash positions, industry and financial quality weightings. Bond portfolios are actively managed using duration to control interest rate risk. Swaps are used to take advantage of overvalued or undervalued issues. Aetna uses options and stock-index futures.

As of Jan. 1, the asset mix was 9% stocks, 85% bonds, 1% cash, 4% equity real estate and 1% mortgages.

Clients include Boeing, Eastman Kodak, GTE and Ford Motor Co.

Donald G. Corad, executive vice president, is chief investment officer and T. Jerald Moore, vice president, is the client contact.

AIM Capital Management Inc.

11 Greenway Plaza, Suite 1919, Houston, Texas 77046; (713) 626-1919

Total assets mgd.	$3,499,000,000
Tax-exempt assets mgd:	
Total	$57,000,000
Fully discretionary	$57,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	2
Types of accounts mgd	C
No. of portfolio mgrs	6
Size of research staff	2

AIM Capital Management Inc.'s equity approach identifies companies that have strong and pesistent growth well in excess of the growth rate of the gross national product. For fixed income, it uses inefficient markets by taking advantage of investment opportunities in high-yielding bonds created by changing asset/liability relationships and perceived inaccurate evaluations by rating agencies. AIM uses options.

As of Jan. 1, the asset mix was 20% stocks, 75% bonds and 5% cash.

Clients include World Bank and the Greenway Fund.

Charles T. Bauer, president, is the chief investment officer; Robert L. Field, vice president, is the client contact.

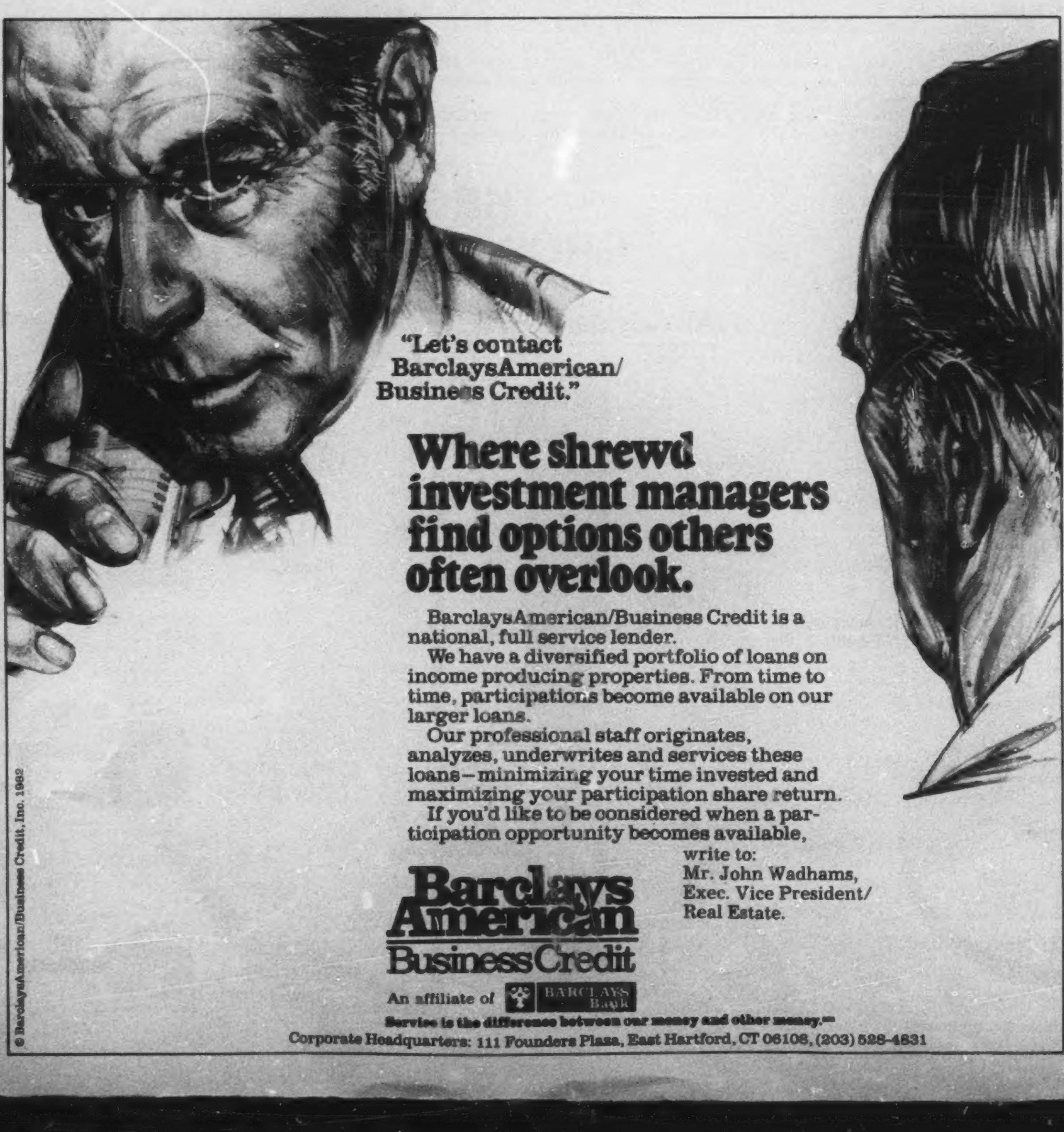
Albuquerque Capital Management Inc.

6400 Uptown Blvd. NE Suite 520-W, Albuquerque, N.M. 87110; (505) 884-4171

Total aerets mgd.	$80,000,000
Tax-exempt assets mgd:	
Total	$80,000,000
Fully discretionary	$2,000,000
Real estate assets mgd	$23,000,000
Minimum separate account	$250,000
Tax-exempt clients	5
Types of accounts mgd	CFJ
No. of portfolio mgrs	1
Size of research staff	0

Albuquerque Capital Management uses a micro/macro approach, screening its universe from Compustat and Value-Line. The firm looks at economic and industry fundamentals

Albuquerque continued on page 28



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Exec. Vice President/
Real Estate.

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Managers ranked by tax-exempt assets

	Manager	1983 Assets ($ millions)	
		Tax-exempt	Total
1.	Equitable Life Assurance	32,600	45,400
2.	Prudential Insurance Co.	27,378	66,707
3.	TIAA/CREF	25,120	25,120
4.	Aetna Life Insurance Co.	23,885	32,077
5.	Metropolitan Life Insurance Co.	21,128	50,211
6.	Morgan Guaranty Trust	19,300	39,118
7.	Bankers Trust Co.	18,800	18,800
8.	TIMCO	14,264	30,252
9.	Alliance Capital	13,245	13,479
10.	CIGNA Corp.	12,740	28,600
11.	Manufacturers Hanover	12,600	21,600
12.	Citicorp	12,217	19,727
13.	John Hancock Mutual Life	11,057	21,711
14.	State Street Research	10,100	11,300
15.	Jennison Associates	9,000	9,000
16.	Mellon Bank	8,771	12,984
17.	Chase Investors	8,500	12,500
18.	Fayez Sarofim & Co.	8,461	8,811
19.	Capital Guardian Trust	8,322	8,322
20.	Chemical Bank	7,984	11,310
21.	Batterymarch Financial	7,891	7,995
22.	Loomis, Sayles	7,485	9,706
23.	Wells Fargo	7,200	10,000
24.	T. Rowe Price	7,125	15,300
25.	State Street Bank	7,100	8,600
26.	Bankers Life	6,918	9,959
27.	Harris Trust and Savings	6,748	12,584
28.	Scudder, Stevens & Clark	6,577	11,019
29.	National Bank-Detroit	6,400	9,100
30.	Wilmington Trust Co.	6,000	11,000
31.	Brown Bros. Harriman	5,780	8,700
32.	Fiduciary Trust	5,600	7,258
33.	Putnam Advisory	5,373	6,356
34.	The Northern Trust	5,117	11,533
35.	Continental Illinois	4,913	12,456
36.	Stein Roe & Farnham	4,800	7,400
37.	First National-Chicago	4,726	7,488
38.	Thorndike, Doran	4,714	8,990
39.	American National	4,500	5,200
40.	First National-Boston	4,300	6,671
41.	Delaware Inv. Advisers	4,256	4,256
42.	New York Life	4,222	17,575
43.	Trust Co. of the West	4,200	4,300
44.	Forstmann-Leff	4,121	4,152
45.	Bank of New York	4,100	11,000
46.	Pacific Inv. Mgmt.	4,078	4,229
47.	AmeriTrust Co.	4,053	6,590
48.	The Boston Co.	4,021	6,485
49.	MacKay-Shields	3,922	4,208
50.	Oppenheimer Capital	3,917	4,212
51.	Funds Advisory Co.	3,900	5,800
52.	Rosenberg Capital	3,812	4,072
53.	New England Life	3,400	8,000
54.	RepublicBank Dallas	3,369	4,764
55.	Lehman Mgmt.	3,335	6,118
56.	Massachusetts Mutual	3,200	11,152
57.	Boatmen's National	3,155	4,104
58.	IDS Advisory Group	3,127	3,127
59.	Lincoln National Life	3,068	10,000
60.	Capital Supervisors Inc.	3,059	3,113
61.	Crocker Investment	3,000	3,000
62.	Crocker National Bank	3,000	5,700
63.	InterFirst Bank Dallas	2,900	4,490
64.	Mutual Benefit Life	2,860	5,550
65.	Bernstein-Macaulay	2,850	2,900
66.	Centerre Trust-St. Louis	2,832	5,956
67.	American Fletcher	2,817	3,896
68.	First City National	2,800	3,200
69.	First Trust Co. of St. Paul	2,735	5,295
70.	United States Trust	2,700	8,600
71.	NCNB National	2,667	4,311
72.	Mutual of New York	2,650	8,600
73.	C&S Investment	2,600	3,400
74.	Security Pacific Corp.	2,560	5,049
75.	BEA Associates	2,506	2,656
76.	Northwestern National	2,500	3,069
77.	Brundage, Story & Rose	2,450	3,500
78.	Eberstadt Asset Mgmt.	2,318	2,421
79.	Kemper Financial Services	2,300	2,300
80.	National City Bank	2,300	4,500
81.	BA Investment Mgmt.	2,291	2,706
82.	Columbia Management	2,281	2,356
83.	Irving Trust	2,248	4,765
84.	Pacific Mutual Life	2,175	3,621
85.	Connecticut National	2,149	4,187
86.	Massachusetts Financial	2,149	2,230
87.	Western Asset Mgmt.	2,112	4,075
88.	Texas Commerce	2,100	3,700
89.	Wachovia Bank & Trust	2,076	3,725
90.	Neuberger & Berman	2,036	4,056
91.	American Security Bank	2,032	2,704
92.	Fischer, Francis	2,000	3,000
93.	Trust Co. Bank	2,000	3,200
94.	Miller, Anderson, Sherrerd	1,922	1,922
95.	Chemical Mortgage Co.	1,900	4,075
96.	Pittsburgh Natl. Bank	1,900	4,850
97.	Union Mutual Life	1,900	3,300
98.	Hibernia National	1,871	2,015
99.	Endowment Mgmt.	1,857	1,913
100.	David L. Babson	1,855	3,222
101.	Lazard Freres	1,855	2,400
102.	Indiana National Bank	1,854	3,200
103.	Lord, Abbett	1,817	4,322
104.	First National-Atlanta	1,800	2,000
105.	Mercantile Trust Co.	1,800	3,600
106.	Continental Assurance	1,765	3,195
107.	Wertheim Asset Mgmt.	1,757	1,757
108.	First Pennsylvania Bank	1,741	3,431
109.	First Investment Mgmt.	1,740	2,155
110.	Lincoln Capital Mgmt.	1,717	1,739
111.	Kennedy Associates	1,700	1,700
112.	Century Capital Associates	1,600	1,600
113.	Natl. Health & Welfare	1,600	1,600
114.	Dodge & Cox	1,575	2,000
115.	Weiss, Peck & Greer	1,570	1,848
116.	Dreyfus Management	1,550	1,550
117.	L.F. Rothschild	1,512	1,512
118.	MH/Edie Investment	1,510	1,751
119.	INVESCO Capital Mgmt.	1,500	1,607
120.	Merrill Lynch Asset	1,500	46,000
121.	RREEF	1,500	1,500
122.	Girard Bank	1,488	7,003
123.	Fidelity Bank	1,456	3,370
124.	AmSouth	1,400	2,690
125.	Comerica Bank-Detroit	1,400	3,600
126.	Hoisington Inv. Mgmt.	1,400	1,400
127.	Fred Alger Management	1,373	1,482
128.	Connecticut Bank & Trust	1,370	3,370
129.	Shields Asset Mgmt.	1,350	1,360
130.	Torray Clark & Co.	1,350	1,350
131.	Mercantile Trust	1,300	2,800
132.	Corporate Property	1,257	1,257
133.	First Asset Management	1,245	1,772
134.	Todd Investment	1,193	1,203
135.	United Missouri Investment.	1,130	1,806
136.	Templeton Investment	1,100	2,400
137.	Pioneering Management	1,099	2,969
138.	Bank of Oklahoma	1,074	1,437
139.	Value Line Asset	1,065	1,075
140.	Eagle Mgmt. & Trust	1,064	1,110
141.	Great West Life	1,060	6,900
142.	Wright Investors	1,038	1,181
143.	Institutional Capital	1,015	1,015
144.	Investment Advisers	991	1,200
145.	Standish, Ayer & Wood	986	3,043
146.	Minnesota Mutual Life	970	2,048
147.	First Wisconsin Trust	962	1,890
148.	Provident Capital Mgmt.	950	950
149.	Valley National-Arizona	949	1,857
150	The Vanguard Group	949	2,710
151.	J. & W. Seligman Co.	945	1,362
152.	Gardner & Preston Moss	943	1,580
153.	Independence Investment	939	1,300
154.	Philadelphia National	926	3,057
155.	Wall, Patterson	925	950
156.	United of Omaha	911	2,197
157.	Morgan Stanley	906	1,458
158.	Fifth Third Bank	900	2,000
159.	First Kentucky Co.	900	900
160.	Fleet National Bank	900	2,400
161.	Midlantic National	900	1,700
162.	General American	875	1,097
163.	Marine Midland Bank	870	3,100
164.	First National-K.C.	869	1,736
165.	Phoenix Mutual Life	866	3,500
166.	Shawmut Bank-Boston	865	1,645
167.	Seattle First National	862	1,914
168.	Riggs National	852	1,446
169.	John W. Bristol	850	950
170.	IntraWest Inv. Mgmt.	850	850
171.	MPT Associates	835	835
172.	First Tennessee Inv.	816	1,355
173.	NSR Asset Mgmt.	791	791
174.	Union Labor Life	791	1,028
175.	Atalanta/Sosnoff Capital	790	869
176.	HT Investors	775	775
177.	Copley Real Estate Advisors	760	1,900
178.	National Investment Services	755	879
179.	Capitoline Investment	750	2,400
180.	Central Natl.-Cleveland	750	3,000
181.	Lincoln First Bank	750	2,800
182.	Hartford Life Insurance	749	1,099
183.	Mercantile Securities	739	1,093
184.	M.D. Sass Investors	735	893
185.	Coldwell Banker	730	730
186.	Heritage Investment	716	751
187.	Rainier National Bank	711	1,295
188.	United Capital Management	709	823
189.	Victor Palmieri & Co.	705	905
190.	Penn Mutual Life	703	4,011
191.	Drexel Burnham Lambert	700	1,100
192.	First and Merchants Natl.	700	1,800
193.	Investment & Capital Mgmt.	700	720
194.	McCowan Associates	700	800
195.	General American Life	692	2,235
196.	Fidelity Union Bank	680	1,765
197.	Western Reserve Capital	675	675
198.	First Interstate-Oregon	667	1,400
199.	Smoot, Knoche & Co.	654	672
200.	Trident Investment Mgmt.	648	680
201.	Frank Russell Trust	645	645
202	Smith Barney, Harris Upham	641	859
203.	Schroder Capital Mgmt.	636	1,300
204.	Wentworth Hauser & Violich	635	748
205.	M&I Investment Mgmt.	619	1,286
206.	Connecticut Mutual Life	613	6,000
207.	First Pacific Advisors	610	870
208.	Capital Consultants	600	630
209.	Discount Corp.-N.Y.	600	750
210.	Eastdil Advisers	600	600
211.	First Manhattan Co.	600	1,200
212.	Leland O'Brien Rubinstein	600	600
213.	NWNL Investment	600	2,500
214.	Shearson/Amer. Express	600	1,400
215.	First Union National Bank	578	1,100
216.	Bank of New England	577	4,900
217.	Central Trust Co.	570	1,800
218.	Marine Trust Co.	560	1,200
219.	Wood, Struthers	560	1,200
220.	Vaughan, Nelson	555	615
221.	Cole, Yeager & Wood	550	750
222.	LaSalle Advisors	550	550
223.	Sun Life Assur.-Canada	547	2,248
224.	G.T. Capital Mgmt.	534	1,877
225.	J.H. Ayres	524	576
226.	Continental Investment	516	1,974
227.	Reimer & Koger	507	540
228.	Texas Amer. Bank-Ft. Worth	500	2,226
229.	Toledo Trust	500	1,600
230.	Fourth National Bank	482	798
231.	Pringle, Flinn, Elvins	480	528
232.	David J. Greene	471	637
233.	Wilmington Capital Mgmt.	464	531
234.	E.W. Axe & Co.	462	771
235.	George D. Bjurman	455	484
236.	Bank One Trust Co.	450	1,200
237.	First Natl. State-N.J.	450	920
238.	JMB Institutional Realty	450	3,750
239.	Schafer Capital Mgmt.	450	450
240.	Schroder Real Estate	450	650
241.	Provident Investment	430	475
242.	Eaton & Howard	428	2,504
243.	Redwood Capital Mgmt.	426	443
244.	Grantham, Mayo	422	532
245.	First National-Ft. Worth	415	1,554
246.	Inv. Counselors of Md.	415	569
247.	Dillon, Read Capital	411	411
248.	Strong/Corneliuson	409	434
249.	C.S. McKee & Co.	406	406
250.	Hellman, Jordan	404	480
251.	Morgan Grenfell	402	403
252.	First Wisconsin-Madison	400	800
253.	Roulston & Co.	400	500
254.	Springfield Marine Bank	400	900
255.	Union Central Life	399	1,369
256.	Chicago Title and Trust	390	1,360
257.	Sanford C. Bernstein	389	901
258.	Forstmann-Leff-Degnan	387	387
259.	Society National Bank	384	763
260.	Siebel Capital Mgmt.	383	490
261.	Frontier Capital Mgmt.	377	407
262.	Fort Hill Investors Mgmt.	375	457
263.	Huntington National Bank	375	1,012
264.	Third National Bank	375	1,081
265.	Brokaw Capital Mgmt.	372	400
266.	Bessemer Trust	366	3,011
267.	Thompson, Siegel	360	400
268.	Lynch & Mayer	354	365
269.	Balch, Hardy & Scheinman	352	353
270.	First American Bank-Nashville	350	800
271.	Tallasi Management	350	360
272.	Reich & Tang	347	396
273.	Rothschild Asset Mgmt.	345	462
274.	Analytic Investment	344	369
275.	Argus Investors' Counsel	341	368
276.	Kingsley, Jennison	338	371
277.	Hutton Capital Mgmt.	337	403
278.	Commerce Union Bank	336	624
279.	Research Management	333	557
280.	Montag & Caldwell	330	460
281.	Barrow, Hanley, Mewhinney	325	325
282.	U.S. National-Oregon	325	2,074

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Managers ranked by tax-exempt assets

		1983 Assets ($ millions)	
	Manager	Tax-exempt	Total
283.	Rice, Hall, James	320	420
284.	First National-Cincinnati	315	1,512
285.	Investment Counsel	306	336
286.	Duff & Phelps	303	435
287.	Olympic Capital Mgmt.	302	302
288.	Gregory L. Smith	301	318
289.	Julius Baer Inv. Mgmt.	300	3,000
290.	Bank of California	300	2,206
291.	Harris, Bretall	300	305
292.	Michigan National	300	724
293.	The Rothschild Co.	300	475
294.	Trustee & Investors Co.	300	300
295.	Dimensional Fund Advisors	290	290
296.	First Interstate-Wash.	287	366
297.	Balcor/American Express	286	2,000
298.	Allen & Leavy	285	305
299.	Dean Witter Reynolds	285	11,622
300.	Mitchell Hutchins	280	600
301.	Waite & Correnti	280	280
302.	Rollert & Sullivan	277	330
303.	Harris Associates	276	811
304.	William D. Witter	276	373
305.	Security Trust-Rochester	275	925
306.	M&T Bank	274	567
307.	Lexington Management	273	963
308.	Huntington Bank-Ohio	268	411
309.	Citizens Fidelity	267	1,280
310.	Investment Advisors	266	308
311.	Cashman, Farrell	265	265
312.	Stonebridge Capital	265	650
313.	FJW Financial Mgmt.	260	400
314.	Pension Portfolio Advisors	250	500
315.	RepublicBank-Houston	250	400
316.	Continental Bank	243	486
317.	Frost National Bank	241	908
318.	SIT Investment	240	243
319.	Aldrich, Eastman, Waltch	238	238
320.	Warburg Investment	236	270
321.	Professional Capital	230	410
322.	Webster Management	230	2,266
323.	First of America Bank	226	1,100
324.	Hotchkis & Wiley	226	245
325.	McCullough & Andrews	225	280
326.	Northern Capital Mgmt.	222	262
327.	Quest Advisory	220	268
328.	Virginia National Bank	218	893
329.	Cramblit & Carney	215	215
330.	American General Capital	213	247
331.	Merchants Investment	210	250
332.	Southeastern Asset Mgmt.	203	3,900
333.	BancOhio Capital Mgmt.	200	200
334.	Gofen & Glossberg	200	1,200
335.	Management Asset Corp.	198	210
336.	Chase Investment	197	250
337.	Estabrook Capital Mgmt.	195	300
338.	Commerce Bank-K.C.	185	654
339.	Southland Trust Co.	181	519
340.	Alster International	180	180
341.	Fiduciary Counsel	180	560
342.	First National Bank-Tulsa	180	672
343.	Froley, Revy Investment	175	202
344.	M. Pescatello & Co.	175	200
345.	Trinity Investment Mgmt.	175	175
346.	Fiduciary Management	170	200
347.	Hodeson Roberton Laing	170	584
348.	N C Capital Mgmt.	170	240
349.	Sterling Capital Mgmt.	170	240
350.	First Investors Asset	169	769
351.	Herbert R. Smith	168	173
352.	Northwestern Natl.-St. Paul	167	237
353.	Atalanta Capital Corp.	165	190
354.	Union Planters Natl.	161	471
355.	Avatar Associates	160	170
356.	Jamison, Munsch & Smith	160	190
357.	Julian A. Lerner & Assoc.	157	160
358.	Equitable Bank	155	531
359.	Am Cal Co.	150	160
360.	California First Capital	150	850
361.	Dearden, Maguire & Weaver	150	320
362.	Delafield Asset Mgmt.	150	190
363.	First Natl. Bank-Lincoln	150	500
364.	Ivory & Sime Intl.	150	150
365.	Sun Bank	150	1,300
366.	Penmark Investments	149	261
367.	Bank of the Southwest	148	985
368.	Alexander Brown & Sons	145	225
369.	The Ohio Co.	142	160
370.	Treynor-Arbit Associates	142	142
371.	CFB Advisory Corp.	140	600
372.	The Illinois Co.	140	140
373.	Thomas L. Karsten Assoc.	140	140
374.	Second Natl.-Warren	140	246
375.	Crocker Real Estate	139	156
376.	The Chicago Corp.	135	165
377.	Mutual Service Life	135	267
378.	Meridian Management	134	208
379.	Ward & Wissner Cap. Mgmt.	130	130
380.	Newbold's Asset Mgmt.	127	399
381.	First Natl. of Commerce	120	230
382.	First Trust Corp.	120	160
383.	Petersen, Flynn & Dinsmore	120	180
384.	Property Capital Advisors	120	150
385.	MassCo Investment Mgmt.	119	265
386.	Maryland National	118	562
387.	R. Meeder & Associates	113	129
388.	Chelsea Management	110	220
389.	Wolf, Webb, Burk, Campbell	110	110
390.	Chesapeake Capital Mgmt.	109	111
391.	Grace Capital	108	116
392.	Federated Investment	106	583
393.	Verus Capital	106	106
394.	Campbell, Reed	105	171
395.	Trevor Stewart	105	143
396.	Capital Mgmt. Corp.	104	151
397.	E.M.G. Advisors	104	106
398.	Garrison, Keogh	102	125
399.	Minton/Newbold's	102	102
400.	Van Deventer & Hoch	102	316
401.	Horizon Trust Co.	100	700
402.	The Landsing Corp.	100	300
403.	Merchants National	100	300
404.	United Investment Counsel	100	450
405.	Van Cleef, Jordan & Wood	100	205
406.	Bartlett & Co.	99	417
407.	IAA Trust Co.	99	1,615
408.	County Bank of St. Louis	95	275
409.	GAMCO Investors	95	125
410.	Jamison, Eaton & Wood	95	126
411.	Lowry Management Corp.	94	94
412.	Genesee Merchants	87	300
413.	The Spangler Group	87	103
414.	Baring International	85	85
415.	BMI Capital Corp.	85	105
416.	Leylegian Investment	85	85
417.	Winchester Capital	85	125
418.	Gerald L. Ray & Assoc.	83	165
419.	Kirr, Marbach	82	107
420.	Seattle Trust & Savings	81	181
421.	Albuquerque Capital	80	80
422.	Grubb & Ellis	80	300
423.	Markston International	80	193
424.	Lipper Analytical Services	77	85
425.	Consensus of Insiders	76	77
426.	Richfield Bank & Trust	76	100
427.	Amivest Corp.	75	75
428.	Cutler & Co.	75	75
429.	Daiwa International	75	2,368
430.	NWQ Investment Mgmt.	75	100
431.	Tucker Anthony Mgmt.	74	1,159
432.	Institutional Portfolio Serv.	70	80
433.	Burgess Capital Corp.	68	72
434.	Thorson Brown	68	246
435.	CB International	67	67
436.	Stuyvesant Capital Mgmt.	66	89
437.	C.H. Brown Co.	65	85
438.	Morison Asset Mgmt.	65	70
439.	Smilen and Safian	65	100
440.	Van Strum & Towne	64	210
441.	Virginia Investment	64	148
442.	Nicholas Co.	60	188
443.	Old Natl. Bank of Wash.	60	260
444.	Alan Patricof Assoc.	60	90
445.	Pilgrim Mgmt. Corp.	60	125
446.	Stamford Advisors II	60	104
447.	A.M. Kailing & Assoc.	59	62
448.	Nicholas B. Kronwall	58	75
449.	AIM Capital Mgmt.	57	3,499
450.	The Citizens Trust Co.	57	216
451.	Monarch Investment Mgmt.	56	875
452.	Andron, Cechettini	55	67
453.	Smith Affiliated Capital Corp.	55	75
454.	York Bank Asset Mgmt.	55	175
455.	KPSP Investment Mgmt.	54	60
456.	The Fields Investment Group	53	57
457.	ABD International Mgmt.	52	11,000
458.	William Mason & Co.	52	80
459.	Renaissance Investment	52	66
460.	Johnson Investment	51	86
461.	Wilson Foster & Co.	51	61
462.	Badgley & Phelps	50	205
463.	Bailard, Biehl & Kaiser	50	250
464.	Old Stone Bank	50	183
465.	Albuquerque National Bank	48	269
466.	Corbyn Associates	48	80
467.	N.M. Rothschild Intl.	48	48
468.	Tukman Capital Mgmt.	48	65
469.	Cyrus J. Lawrence	47	197
470.	Mellon-Pictet Intl.	47	130
471.	Martin Currie	46	750
472.	J.C. Bradford & Co.	43	64
473.	Investors Management	43	72
474.	Seagate Capital Mgmt.	41	49
475.	Securities Counselors-Iowa	41	70
476.	HPB Trading Systems	40	40
477.	Jundt/Capen Associates	40	40
478.	Kahn Brothers & Co.	40	125
479.	Madison Investment	40	55
480.	Pacific Mutual Realty	40	40
481.	Parmelee Mgmt. Corp.	40	58
482.	QC-Investor Services	40	55
483.	Security Asset Mgmt.	40	40
484.	Alan G. Seidner Investment	40	380
485.	Cambiar Investors	38	91
486.	Clutinger, Williams	38	54
487.	Gateway Investment	38	93
488.	Granahan-Everitt	38	48
489.	Noddings, Calamos	38	54
490.	GeoCapital Investment	37	100
491.	Equity Advisors	36	105
492.	ISI Corp.	36	171
493.	Financial Trust Co.	35	35
494.	Landauer Advisors	35	600
495.	Rothschild Securities	35	65
496.	Hambrecht & Quist	34	35
497.	Olson Mobeck & Assoc.	34	63
498.	Sullivan, Morrissey	34	52
499.	Wasatch Advisors	34	41
500.	McDowell National	33	160
501.	American Capital Mgmt.	32	32
502.	Alexander, Scriver	30	74
503.	Ashfield & Co.	30	57
504.	Howe and Rusling	30	110
505.	Lesesne & Co.	30	31
506.	Wisconsin Valley Trust	30	147
507.	City Trust Services	29	34
508.	P.E. Becker	28	62
509.	Equity Research Assoc.	27	40
510.	Gradison & Co.	27	58
511.	Fiske Capital Mgmt.	26	33
512.	T.J. Holt & Co.	26	50
513.	Kennedy Capital	26	33
514.	Seward Corp.	26	26
515.	Dale K. Ehrhart	25	77
516.	Gannett, Welsh	25	156
517.	Hutchinson National	25	95
518.	MPACT Securities	25	250
519.	The Providence Group	25	60
520.	Johnson, Valliant	24	24
521.	Ronald Sadoff Assoc.	24	30
522.	William J. Kautz Assoc.	23	23
523.	R.M. Leary & Co.	23	25
524.	Greater Boston Realty	22	22
525.	Nikko International	22	741
526.	Thompson/Rubinstein	22	32
527.	Yamaichi Capital Mgmt.	22	270
528.	Argus Investment Mgmt.	20	56
529.	William G. Campbell	20	105
530.	Cumberland Advisors	20	50
531.	John H. Lee & Co.	20	20
532.	John R. Wilson	20	20
533.	Ashland Management	19	90
534.	Knowles & Armstrong	17	33
535.	Multinational Investments	17	45
536.	PSM Investors	17	20
537.	Dawes Investment Service	16	22
538.	McMillion/Eubanks	16	21
539.	The Chapman Co.	15	23
540.	Robshaw & Cheskin	15	25
541.	Capital Technology	14	22
542.	Holborn International	14	14
543.	Sabl Associates	14	28
544.	Amev Asset Mgmt.	13	550
545.	Delfi Management	12	218
546.	R.W. Graybill	12	24
547.	Kanne, Paris & Hoban	12	25
548.	Newport First Investment	12	14
549.	Oakwood Counselor	12	42
550.	C-S Capital Advisors	11	11
551.	Fielding Management	11	25
552.	Beese, Fulmer Assoc.	10	45
553.	D.A. Mgmt. Consultants	10	50
554.	D.J. Investment Advisors	10	27
555.	Equitec Institutional Realty	10	500
556.	Jenswold, King & Assoc.	10	34
557.	Walter M. Dixon Jr.	9	20
558.	Addison Capital Mgmt.	8	35
559.	Oxford Partners	8	20
560.	Edward C. Rorer	7	20
561.	Delta Financial Mgmt.	6	10
562.	E.A. Merkle & Assoc.	6	8
563.	Muller Asset Mgmt.	6	21
564.	Simpson Capital Mgmt.	6	21

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Albuquerque profiie from page 24

for stocks and bonds, following national and international trends, both geopolitical and economic.

For bonds, the firm belives in active management and uses computer driven analytical tools.

As of Jan. 1, the asset mix was 1% stocks, 59% bonds, 25% mortgages and 15% cash.

The firm declined to name clients.

George R. Humm, president, is the chief investment officer and the client contact.

Albuquerque National Bank

P.O. Box 1344, Albuquerque, N.M.
87103; (505) 765-2301

Total assets mgd.	$269,000,000
Tax-exempt assets mgd:	
Total	$48,000,000
Fully discretionary	$48,000,000
Real estate assets mgd	$64,000,000
Minimum separate account	$100,000
Tax-exempt clients	100
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	3
Size of research staff	0

Albuquerque National Bank takes an intermediate-term approach to equity management that incorporates an analysis of a company's financial condition, its valuation and earnings productivity, its technical position, research sponsorship and the industry environment.

For fixed income, the bank stresses intermediate-term bonds with timing decisions based on prevailing credit market terms.

As of Jan. 1, the asset mix was 48% stocks, 25% bonds and 27% cash.

H. Dodge Shuler, vice president and trust officer, is the chief investment officer; John B. Roberts Jr., trust investment officer and Larry D. Harris, trust officer, are the client contacts.

Aldrich, Eastman & Waltch Inc.

1 Post Office Square, Boston, Mass.
02109; (617) 542-9300

Total assets mgd.	$238,000,000
Tax-exempt assets mgd:	
Total	$238,000,000
Fully discretionary	$193,000,000
Real estate assets mgd	$238,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	14
Types of accounts mgd	CEJ
No. of portfolio mgrs	17
Size of research staff	0

Aldrich, Eastman & Waltch, a real estate manager, structures flexible investments matching market conditions and client needs; it says value is created through active financial and property management for equity real estate.

The firm also uses mortgages in its equity approach due to their tax efficiency and security.

As of Jan. 1, the asset mix was 100% equity real estate.

Thomas G. Eastman is the chief investment officer; Mark J. Waltch is the client contact.

Alexander, Scriver and Associates

One Denver Place, 999 18th St., Suite
1170, Denver, Colo. 80202; (303)
571-1858

Total assets mgd.	$74,000,000
Tax-exempt assets mgd:	
Total	$30,000,000
Fully discretionary	$30,000,000
Minimum separate account	$150,000
Tax-exempt clients	12
Types of accounts mgd	CEFG
No. of portfolio mgrs	2
Size of research staff	2

Alexander, Scriver & Associates follows a value-oriented approach to equities that is disciplined and systematic. The firm uses proprietary computer valuation models to establish value ranges and identify extremes in various markets; risk analysis is an important feature.

Alexander Scriver uses active bond management using a quantified analysis of money and credit.

Shifts are made in reponse to the cyclical movement of interest rates and sector analysis.

As of Jan. 1, the asset mix was 46% stocks, 2% bonds and 52% cash.

Gerald H. Scriver, general partner, is the chief investment officer and Howard T. Alexander, general partner, is the client contact.

Fred Alger Management Inc.

75 Maiden Lane, New York, N.Y.
10038; (212) 806-8800

Total assets mgd.	$1,482,000,000
Tax-exempt assets mgd:	
Total	$1,373,000,000
Fully discretionary	$1,373,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	55
Types of accounts mgd	CEFG
No. of portfolio mgrs	na
Size of research staff	19

Fred Alger is an equity specialist that follows a bottom-up approach with a focus on the leading edge of the market in two broad categories: positive life cycle-change companies and high unit volume growth rate companies. The emphasis is on dynamic earnings growth.

As of Jan. 1, the asset mix was 95% stocks and 5% cash.

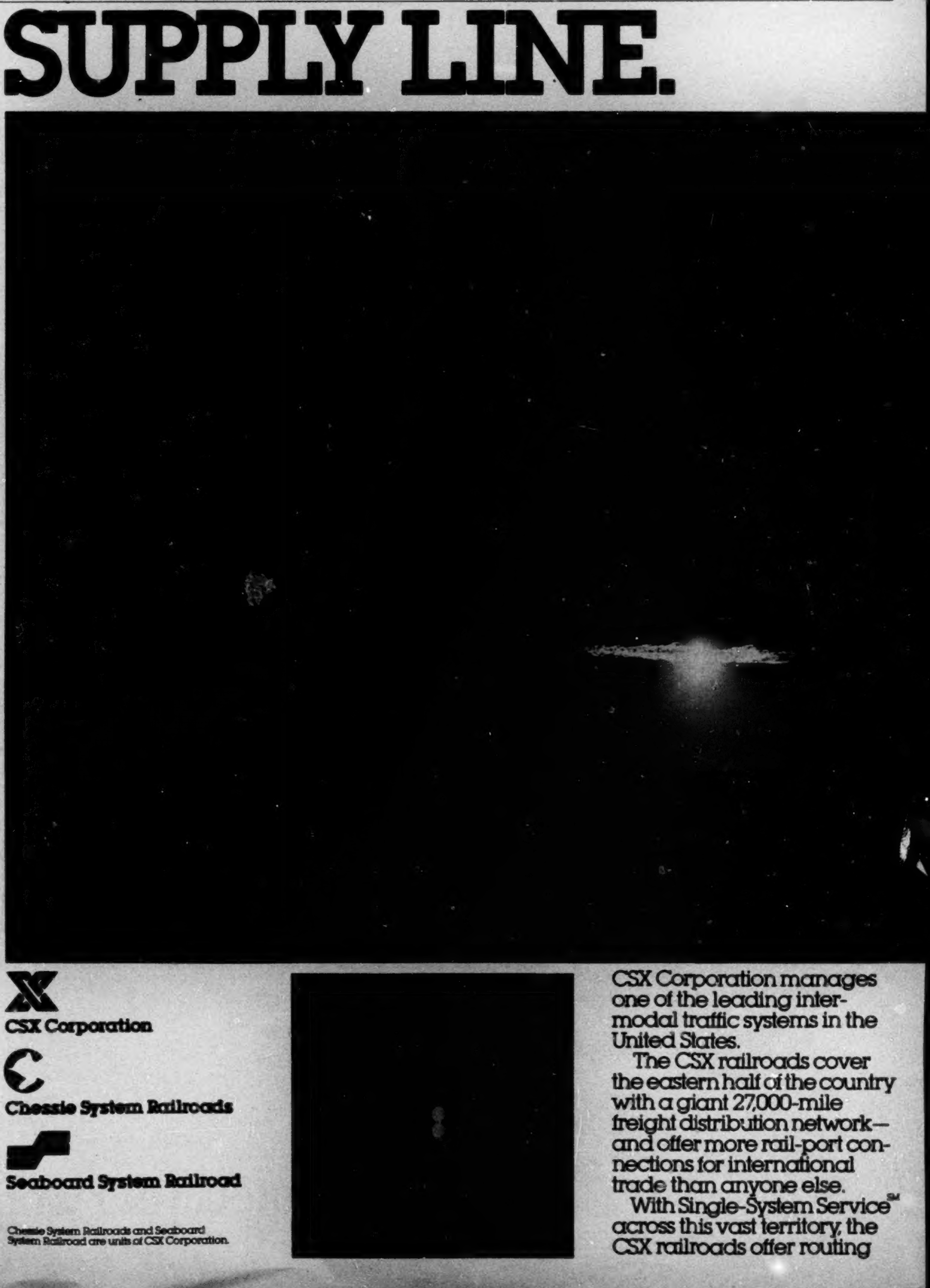
Clients include Conoco Inc., Celanese Corp. and Stauffer Chemical Co.

Fred Alger, president and chairman, is the chief investment officer; Krista Woodall, vice president-client services, is the client contact.

Profiles continued on page 29

Manager rankings . . .

		1983 Assets ($ millions)	
	Manager	Tax Exempt	Total
565.	The Beyreuther Co.	5	5
566.	Fraser Mgmt. Assoc.	5	35
567.	Mailard, Brogdon	5	105
568.	Muhlenkamp & Co.	5	11
569.	Newport Capital Mgmt.	5	38
570.	Professional Asset Mgmt.	5	22
571.	Schabacker Investment	5	9
572.	R.F. Thompson	5	15
573.	Kreger Capital Mgmt.	4	11
574.	The Reiser	4	12
575.	Abacus Realty	3	3
576.	Florence Fearrington	3	20
577.	Gulf Investment	3	25
578.	Thomas D. Kienlen	3	4
579.	Pilgrim, Baxter	3	3
580.	Sherman, Dean	3	11
581.	Tamarack Associates	3	15
582.	Granite State	2	94
583.	Ramsay & Ellsworth	2	14
584.	Alexis Tellis	2	7
585.	Trascott, Alyson	2	10
586.	Unified Mgmt.	2	170
587.	Cleveland Management	1	15
588.	Convest Portfolio	1	5
589.	DeJamette Invest.	1	7
590.	DiBartolomeo	1	3
591.	KAMCO, Keeley	1	2
592.	Legg Mason Capital	1	3
593.	Northwest Quadrant	1	2
594.	Parker, Dillon	1	1
595.	James Punderson	1	8
	TOTAL	769,957	1,379,304



SUPPLY LINE.

CSX Corporation

Chessie System Railroads

Seaboard System Railroad

Chessie System Railroads and Seaboard System Railroad are units of CSX Corporation.

CSX Corporation manages one of the leading intermodal traffic systems in the United States.

The CSX railroads cover the eastern half of the country with a giant 27,000-mile freight distribution network—and offer more rail-port connections for international trade than anyone else.

With Single-System Service℠ across this vast territory, the CSX railroads offer routing

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Northeast: 65%	
Mid-Atlantic: 46%	355,533
New England: 19%	144,977
North Central: 15%	
East North Central: 11%	81,994
West North Central: 4%	33,577
South: 11%	
South Atlantic: 5%	41,512
West South Central: 5%	38,342
East South Central: 1%	6,204
West: 9%	
Pacific: 8%	63,536
Mountain: 1%	3,287
TOTAL	768,954

Profiles continued from page 28

Allen & Leavy Investment Management Inc.

7 Piedmont Center, Suite 320,
Atlanta, Ga. 30305; (404) 237-2223

Total assets mgd.	$305,000,000
Tax-exempt assets mgd:	
Total	$285,000,000
Fully discretionary	$247,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	35
Types of accounts mgd	CFGJ
No. of portfolio mgrs	4
Size of research staff	1

Allen & Leavy Investment Management Inc. focuses on analysis of enduring trends for common stock. Fundamental criteria provide input for valuation models that generate purchase and sales prices. Capital gains are emphasized. For fixed income the firm uses yield curve analysis and a reactive market strategy to produce highly predictable returns. Maturities are gradually shortened as rates fall and lengthened as they rise to a maximum ⅓ due in 10 to 20 years. Immunized programs are offered.

As of Jan. 1, the asset mix was 21% stocks, 73% bonds and 6% cash.

Clients include National Gypsum, Fairfax County, Va., the city of Orlando, Fla., and the Presbyterian Church Foundation.

Samuel E. Allen, partner-stock and John M. Leavy, partner-fixed income, are the chief investment officers. Mr. Leavy is the client contact.

Alliance Capital Management Corp.

140 Broadway, New York, N.Y.
10005; (212) 902-4000

Total assets mgd.	$13,479,000,000
Tax-exempt assets mgd:	
Total	$13,245,000,000
Fully discretionary	$9,746,000,000
International assets mgd	$27,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	486
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	35
Size of research staff	10

Alliance Capital Management invests in growth oriented and smaller capitalization companies. It concentrates holdings in companies and groups of companies that are expected to benefit from changing secular fundamentals. For fixed income, the firm focuses on maturity risk to ensure preservation of capital and real rate of return in an interest-rate cycle.

As of Jan. 1, the asset mix was 76% stocks, 20% bonds and 4% cash.

Clients include Boeing, Chrysler, North American Phillips and the Rockefeller Foundation.

Dave H. Williams, chairman and chief executive officer, is the chief investment officer; William W. Storff, director of marketing, is the client contact.

Alster International

919 Third Ave., New York, N.Y.
10022; (212) 888-7966

Total assets mgd.	$180,000,000
Tax-exempt assets mgd:	
Total	$180,000,000
Fully discretionary	na
Real estate assets mgd	$180,000,000
Minimum separate account	$15,000,000
Tax-exempt clients	3
Types of accounts mgd	CG
No. of portfolio mgrs	2
Size of research staff	2

Alster International is a real estate adviser.

As of Jan. 1, the asset mix was 100% equity real estate.

Clients include KLM pension funds.

Henri Alster, president, is the chief investment officer and the client contact.

Am Cal Co.

4737 Lankershim Blvd., North
Hollywood, Calif. 91602; (213)
763-6206

Total assets mgd.	$160,000,000
Tax-exempt assets mgd:	
Total	$150,000,000
Fully discretionary	$20,000,000
Real estate assets mgd	$160,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	5
Types of accounts mgd	CGJ
No. of portfolio mgrs	3
Size of research staff	2

Am Cal Co. is a real estate adviser.

As of Jan. 1, the asset mix was 10% equity real estate and 90% mortgages.

Clients include the Carpenters Pension Trust and Pacific Van Line.

James B. McKenna is the chief investment officer. Mr. McKenna and Paul Williams are client contacts.

American Capital Management Inc.

90 Broad St., New York, N.Y. 10004;
(212) 344-3300

Total assets mgd.	$32,000,000
Tax-exempt assets mgd:	
Total	$32,000,000
Fully discretionary	$5,000,000
Minimum separate account	$500,000
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	0

American Capital Management Inc. invests in quality smaller-growth companies with accelerating earnings momentum that appear undervalued relative to their universe list. Fixed-income investments are tailored to the secular movements of inflation and interst rates with emphasis on short- or long-term instruments.

As of Jan. 1, the asset mix was 98% stocks and 2% cash.

Luke P. La Valle Jr., president, is the chief investment officer and the client contact.

American Fletcher National Bank

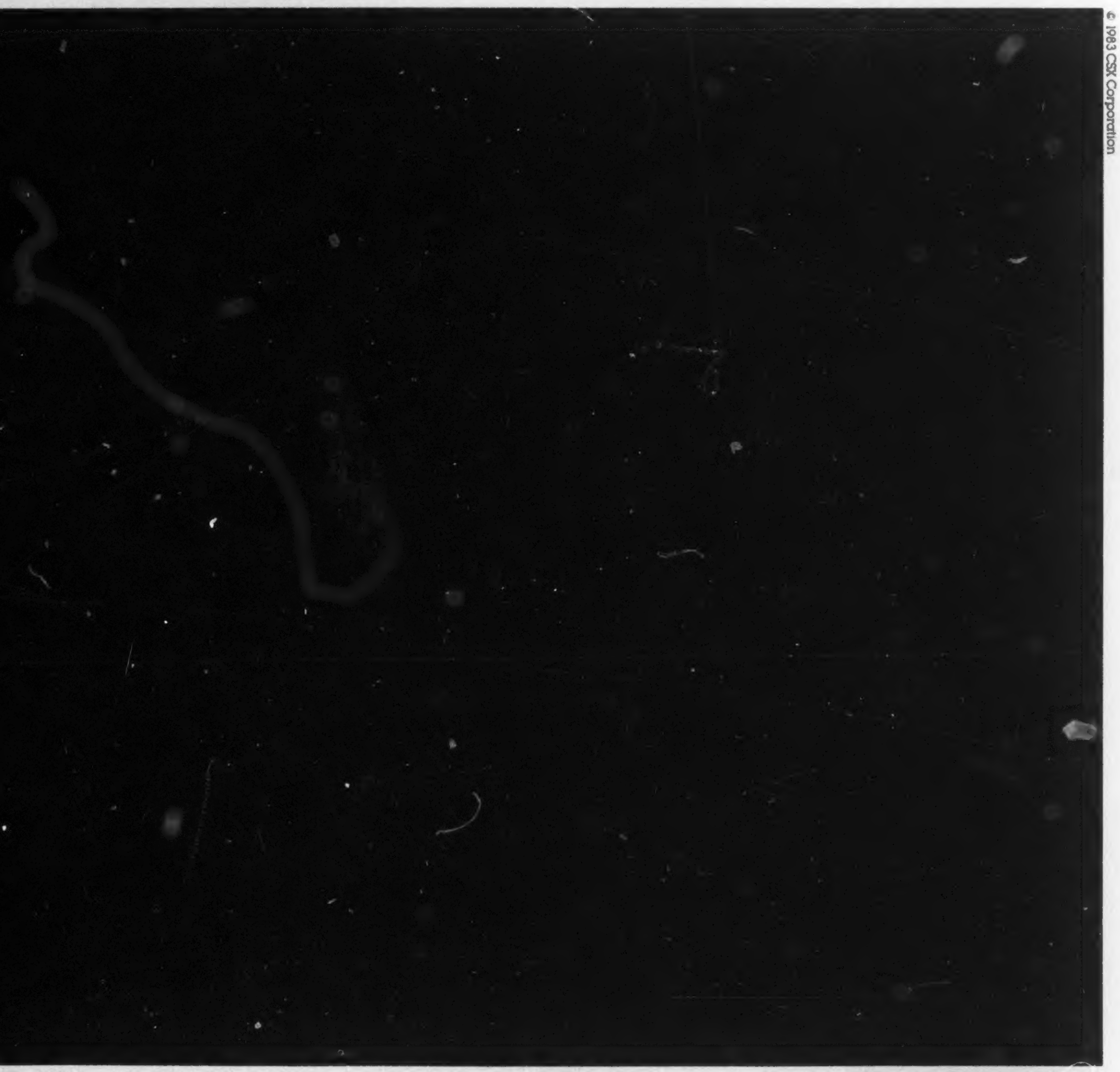
101 Monument Circle, Indianapolis,
Ind. 46277; (317) 639-8144

Total assets mgd.	$3,896,000,000
Tax-exempt assets mgd:	
Total	$2,817,000,000
Fully discretionary	$2,817,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	1,222
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	11
Size of research staff	5

American Fletcher National Bank places emphasis on shifting commitments among market sectors for equities. At the stock selection level, emphasis is on large-capitalization companies considered industry leaders. It utilizes short- to intermediate-

Profiles continued on page 30

CSX Railroads' Piggyback Express Corridors Deliver The Goods Across The Eastern Half Of The USA.



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CSX CORPORATION

America's Largest Transportation And Natural Resource Company.

Profiles continued from page 29

maturity instruments for fixed income.

As of Jan. 1, the asset mix was 8% stocks, 86% bonds and 6% cash.

Clients include IBM, Eli Lilly, Hallmark Cards and White Consolidated Industries.

Leif E. Nulsen, vice president, is the chief investment officer; Donald W. Kennedy, assistant vice president and investment officer, is the client contact.

American General Capital Advisors

P.O. Box 3121, Houston, Texas; (713) 522-9722

Total assets mgd.	$247,000,000
Tax-exempt assets mgd:	
Total	$213,000,000
Fully discretionary	$213,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	11
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	6

American General Capital emphasizes the fastest growing and most profitable companies (top 25% real return on assets) at the lowest possible price (market price to book value). For fixed, it anticipates interest rates and believes in modified immunization.

As of Jan. 1, the asset mix was 72% stocks, 9% bonds and 19% cash.

Clients include City of Hollywood Firemen, the State of Michigan Municipal Employees Retirement, the city of Meridien and the Wortham Foundation.

Robert D. Harrell, senior vice president, is the chief investment officer and the client contact.

American National Bank and Trust Co.

33 North LaSalle St., Ill. 60690; (312) 661-6065

Total assets mgd.	$5,200,000,000
Tax-exempt assets mgd:	
Total	$4,500,000,000
Fully discretionary	$4,500,000,000
Real estate assets mgd	$5,000,000
International assets mgd	$5,000,000
Minimum separate account	$25,000,000
Tax-exempt clients	319
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	8

American National Bank & Trust Co. follows an active/passive investment management philosophy, in which the objectives of superior performance and diversification are completely separated.

For fixed income investments, the bank uses intermediate-term instruments.

As of Jan. 1, the asset mix was 90% stocks, 4% bonds, 5% cash and 1% equity real estate.

Clients include AT&T, Texaco, Transworld Airlines, Tennessee Valley Authority and General Motors.

John R. Tilton, senior vice president, is the chief investment officer; Philip Webster is the client contact.

American Security Bank

1501 Pennsylavania Ave., N.W., Washington, D.C. 20013; (202) 624-3744

Total assets mgd.	$2,704,000,000
Tax-exempt assets mgd:	
Total	$2,032,000,000
Fully discretionary	$2,032,000,000
Master trust assets	$740,000,000
Master custodian assets	$25,000,000
Real estate assets mgd	$81,000,000
International assets mgd	$2,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	310
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	12

American Security Bank actively manages diversified portfolios with stocks from a list comprising industry leaders and many medium-to-small companies with projected total returns well in excess of the risk-free rate. For fixed income, it actively manages diversified portfolios of highly marketable and quality bonds with emphasis on U.S. Treasury and federal agency securities. Interest rate projections and the economic condition form the basis for maturity dispersion and coupon diversification.

As of Jan. 1, the asset mix was 50% stocks, 43% bonds, 3% cash and 4% equity real estate.

Michael B. Miller, senior vice president and senior trust officer, is the chief investment officer; Howard E. N. Wilson, vice president, director of institutional marketing, is the client contact.

AmeriTrust Co.

900 Euclid Ave., Cleveland, Ohio 44101; (216) 687-2798

Total assets mgd.	$8,590,000,000
Tax-exempt assets mgd:	
Total	$4,053,000,000
Fully discretionary	$3,400,000,000
Master trust assets	$900,000,000
Master custodian assets	$300,000,000
International assets mgd	$5,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	450
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	12

AmeriTrust Co. emphasizes value and dividend income as well as protection of principal in declining markets in order to maximize long-term returns, provide stable growth and reduce portfolio risk for equities. For bonds, the bank emphasizes reliable returns and reduced volatility by purchasing high quality, relatively short issues, with substantial commitment to the government sector. It uses interest-rate swaps when appropriate.

As of Jan. 1, the asset mix was 61% stocks, 30% bonds and 9% cash.

Clients include American Telephone & Telegraph, General Motors, Timken and Tenneco.

William S. Brooks, senior vice president, is the chief investment officer; Robert C. Gebauer, vice president, is the client contact.

Amev Asset Management

2 World Trade Center, 9786, New York, N.Y. 10048; (212) 775-1912

Total assets mgd.	$550,000,000
Tax-exempt assets mgd:	
Total	$13,000,000
Fully discretionary	na
Minimum separate account	$500,000
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	3

Amev Asset Management follows an asset and liability approach to equity management. The firm is mindful of liabilities and specific corporate, pension and individual objectives using a traditional fundamental approach that emphasizes growth and value discounted to the present and compared to the current market. Fixed-income securities are selected using relative value and interest-rate forecasting with either taxable or tax-exempt securities.

The asset mix was not available.

Clients include Time Insurance Co., United Family Life and American Security Insurance Co.

H.C. Mackin, president, is the chief investment officer; and Guy G. Rutherford Jr., vice president and secretary, is the client contact.

Amivest Corp.

505 Park Ave., New York, N.Y. 10022; (212) 688-6667

Total assets mgd.	$75,000,000
Tax-exempt assets mgd:	
Total	$75,000,000
Fully discretionary	$75,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	12
Types of accounts mgd	CEFJ
No. of portfolio mgrs	3
Size of research staff	1

Amivest Corp. is primarily a balanced-account and growth-account manager specializing in strategic asset allocation in a top-down fashion.

As of Jan. 1, the asset mix was 60% stocks, 20% bonds and 20% cash.

The firm declined to provide a client list.

Charles E. Cain, senior vice president, is the chief investment officer; Lewis W. Parker, director asset-management, is the client contact.

AmSouth

1900 Fifth Ave., No., P.O. Box 11426, Birmingham, Ala. 35202; (205) 326-5397

Total assets mgd.	$2,800,000,000
Tax-exempt assets mgd:	
Total	$1,400,000,000
Fully discretionary	$1,200,000,000
Master trust assets	$221,000,000

AmSouth continued on page 31

COAL
lights our nights & brightens our future!

utah power & light company

AmSouth continued from page 30

Minimum separate account	$1,000,000
Tax-exempt clients	110
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	0

AmSouth, a subsidiary of AmSouth Bancorporation, uses a value-oriented, contrarian approach to equities. It uses interest-rate anticipation and, to a lesser degree, sector selectivity in its active bond management.

As of Jan. 1, the asset mix was 45% stocks, 48% bonds and 7% cash.

Clients include AT&T, Southern Co., Vulcan Materials and the city of Birmingham.

John H. Goff Jr., senior vice president and senior trust investment officer, is the chief investment officer; Davis H. Crenshaw, vice president and trust marketing officer, is the client contact.

Analytic Investment Management Inc.

2222 Martin St., #230, Irvine, Calif.
92715; (714) 833-0294

Total assets mgd	$360,000,000
Tax-exempt assets mgd:	
Total	$344,000,000
Fully discretionary	$344,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	23
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	4

Analytic Investment Management Inc. employs options on diversified equity portfolios to reduce short-term risk and increase long-term returns. For fixed-income, it maintains a mix of specific Treasury bonds and notes against which it sells covered calls and cash-secured puts.

As of Jan. 1, the asset mix was 95% stocks and 5% bonds.

Clients include Armstrong Rubber, Memphis City Retirement System, Sun Co. and Southern New England Telephone.

Sheen T. Kassouf, president and chairman, is the chief investment officer; Ned E. Kassouf, executive vice president and treasurer, is the client contact.

Andron, Cechettini & Associates Inc.

P.O. Box 1059, 3650 Mt. Diablo Blvd.
Lafayette, Calif. 94549; (415)
283-5920

Total assets mgd.	$67,000,000
Tax-exempt assets mgd:	
Total	$55,000,000
Fully discretionary	$55,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	17
Types of accounts mgd	CFJ
No. of portfolio mgrs	2
Size of research staff	0

Andron, Cechettini & Associates invests exclusively in high-growth, small capitalization companies and searches for the best managed and fastest growing companies within the public market sector.

As of Jan. 1, the asset mix was 95% stocks and 5% cash.

Clients include W.R. Grace, Hughes Aircraft, Deccofelt Corp. and U/A Local 467 Pension Fund.

Ralph Cechettini, president, is the chief investment officer; Ernie Wolfe, vice president, is the client contact.

Argus Investment Management Inc.

1200 Quail, #270, Newport Beach,
Calif. 92660; (714) 851-1778

Total assets mgd.	$56,000,000
Tax-exempt assets mgd:	
Total	$20,000,000
Fully discretionary	$20,000,000
Minimum separate account	$250,000
Tax-exempt clients	16
Types of accounts mgd	CF
No. of portfolio mgrs	5
Size of research staff	25

Argus Investment Management, a subsidiary of Argus Research Corp., is an asset allocation manager. For stocks it uses sector rotation and market timing. Its fixed-income approach uses interest-rate anticipation.

As of Jan. 1, the asset mix was 30% stocks, 10% bonds and 60% cash.

Clients include the Assistance League of Santa Ana, Long Beach Commmunity Hospital, California Republic Bank and the Valencia Bank Trust Department.

Roland D. Kelly, president, is the chief investment officer and the client contact.

Argus Investors' Counsel Inc.

42 Broadway, New York, N.Y. 10004;
(212) 425-7500

Total assets mgd.	$368,000,000
Tax-exempt assets mgd:	
Total	$341,000,000
Fully discretionary	$319,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	13
Types of accounts mgd	CFJ
No. of portfolio mgrs	3
Size of research staff	29

Argus Investors' Counsel Inc. uses highly diversified, unweighted portfolios in its equity approach. Positions are kept in balance through regular purchases and sales, depending on the market performance of each issue. For bonds, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 73% stocks, 22% bonds and 5% cash.

Clients include the United Mine Workers and the Margaret L. Wendt Foundation.

Herman I. Roseman, president, is the chief investment officer; Robert P. Groesbeck, vice president, is the client contact.

Ashfield & Co. Inc.

303 Sacramento St., Suite 400, San
Francisco, Calif. 94111; (415)
391-4747

Total assets mgd.	$57,000,000
Tax-exempt assets mgd:	
Total	$30,000,000
Fully discretionary	$30,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	22
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	1

Ashfield & Co. Inc. purchases equities when prices are attractive relative to cash equivalents or fixed-income securities. Growth and emerging growth companies are usually emphasized. Fixed-income investments are determined by interest-rate anticipation and yield-curve analysis. Maturities of 10 years or less are emphasized when appropriate.

As of Jan. 1, the asset mix was 10% stocks, 75% bonds and 15% cash.

Clients include R. Dakin Co., Scott Co., Quinn Co. and NCA Corp.

W. Emer Yeager, president, is the chief investment officer. Mr. Yeager and Richard H. Morrison Sr., vice president, are client contacts.

Ashland Management Inc.

26 Broadway, New York, N.Y. 10004;
(212) 425-2803

Total assets mgd.	$90,000,000
Tax-exempt assets mgd:	
Total	$19,000,000
Fully discretionary	$19,000,000
Minimum separate account	$250,000
Tax-exempt clients	12
Types of accounts mgd	CFJ
No. of portfolio mgrs	2
Size of research staff	0

Ashland Management Inc. is an equity manager that identifies inefficiently priced stocks by valuing current financial data identically for each issue.

As of Jan. 1, the asset mix was 99% stocks and 1% cash.

Parry V.S. Jones, president, is the chief investment officer; William J. Bogut and Minot Amory are the client contacts.

Atalanta Capital Corp.

450 Park Ave. Suite 1802, New York,
N.Y. 10022; (212) 832-1104

Total assets mgd.	$190,000,000
Tax-exempt assets mgd:	
Total	$165,000,000
Fully discretionary	$165,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	21
Types of accounts mgd	CFJ
No. of portfolio mgrs	2
Size of research staff	1

Atalanta Capital Corp.'s equity approach emphasizes undervalued, asset-oriented positions, special situations and faster growing companies whose growth has not been recognized in the marketplace for equities. Comprehensive analysis determines sectors of emphasis and de-emphasis. For fixed income, the total anticipated rates of return on stocks, bonds and cash equivalents are compared to determine investment orientation relative to a client's risk-reward threshold. Its approach underscores portfolio liquidity.

As of Jan. 1, the asset mix was 60% stocks, 25% bonds and 15% cash.

Clients include Loral Corp., Owen Cheatham Foundation, San Francisco Culinary Bartenders and Service Employees and the Screen Actors Guild.

L. Mark Newman, president, is the chief investment officer; Robert C. Vitale, executive vice president and Linda S. Newman, vice president, are the client contacts.

Atalanta/Sosnoff Capital Corp.

499 Park Ave., New York, N.Y. 10022;
(212) 755-2800 or Hearst Building,
Suite 1000, San Francisco, Calif.
94103; (415) 777-3515

Total assets mgd.	[illegible]
Tax-exempt assets mgd:	
Total	$790,000,000
Fully discretionary	$790,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	65
Types of accounts mgd	CEFJ
No. of portfolio mgrs	3
Size of research staff	3

Atalanta/Sosnoff Capital Corp. bases all investment decisions on total expected return. Equity investments are concentrated in only two or three sectors at any one time. Emphasis is placed on large capitalization issues inefficiently priced, generally with below-average price-earnings ratios but with strong earnings momentum and above-average returns on equity and high book value-to-price ratios. For fixed income, it uses interest rate anticipation to determine orientation. The firm uses covered options, and specializes in dedicated bond portfolios.

As of Jan. 1, the asset mix was 70% stocks, 28% bonds and 2% cash.

Clients include Dart & Kraft, Alexander & Baldwin, Inter-American Development Bank and Tektronix.

Martin T. Sosnoff, chairman and Shepard D. Osherow, president, are the chief investment officers. Stanley J. Bernhard, senior vice president and Richard E. Anderson, vice president, are the client contacts.

Avatar Associates

747 Third Ave., New York, N.Y.
10017; (212) 753-7710

Total assets mgd.	$170,000,000
Tax-exempt assets mgd:	
Total	$160,000,000
Fully discretionary	$160,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	75
Types of accounts mgd	CFGJ
No. of portfolio mgrs	3
Size of research staff	3

Avatar Associates, an equity adviser, follows a primary strategy of a portfolio mix 0% to 100% stocks or cash. Proprietary market research is both fundamental and technical. Aggressive stock selection is mostly fundamental. Stop-loss discipline is used to control risk.

As of Jan. 1, the asset mix was 80% stocks and 20% bonds.

Clients include the Chrysler Corp., Sherwin-Williams Co., Singer Co. and Associated Dry Goods Co.

Edward S. Babbitt Jr., president, is the chief investment officer; Bruce L. Poliquin, vice president, is the client contact.

E.W. Axe & Co. Inc.

Axe Castle, Tarrytown, N.Y. 10591;
(914) 631-8131

Total assets mgd.	$771,000,000
Tax-exempt assets mgd:	
Total	$462,000,000
Fully discretionary	$461,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	28
Types of accounts mgd	CFJ
No. of portfolio mgrs	3
Size of research staff	6

E.W. Axe & Co.'s equity approach seeks companies in which it can anticipate earnings growth and favorable potential. For fixed income, it adjusts average maturity to reflect outlook for long rates.

As of Jan. 1, the asset mix was 92% stocks, 5% bonds and 3% cash.

Clients include Monsanto, Chicago Transit Authority, Campbell Soup and the Central Vermont Public Service.

Philip K. Reily, chairman of the investment committee, is the chief investment officer and the client contact.

J.H. Ayres & Co. Inc.

2016 Condor St., Colorado Springs,
Colo. 80909; (303) 635-1414

Total assets mgd.	$570,000,000

Ayres profile continued on page 32

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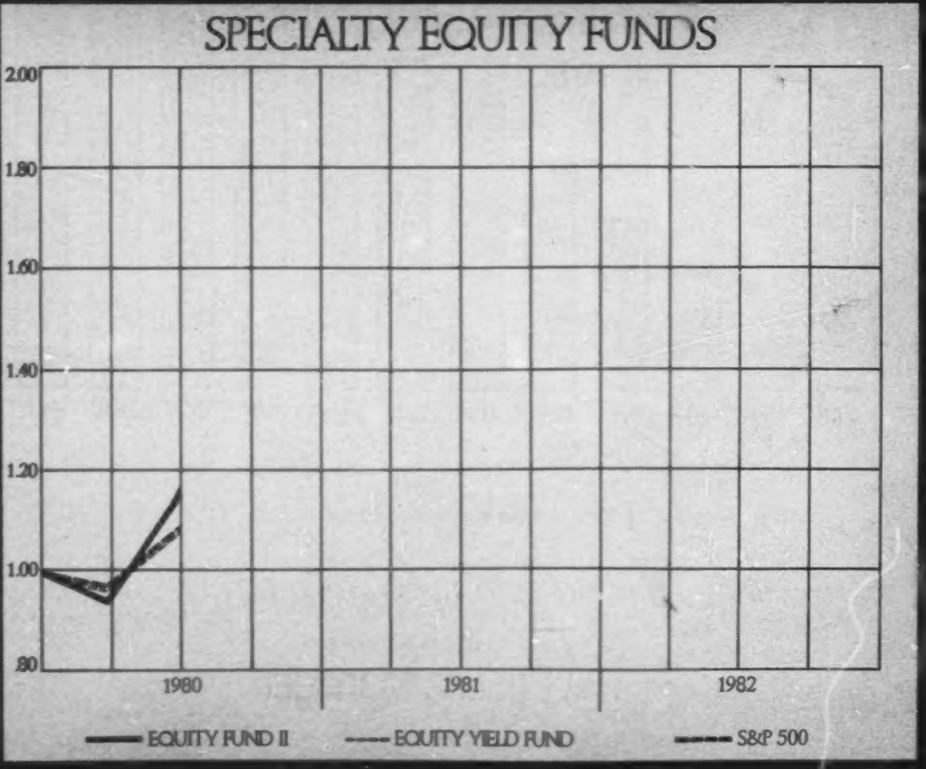
BANK OF BOSTON



Ayres continued from page 31

Tax-exempt assets mgd:	
Total	$524,000,000
Fully discretionary	$524,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	8
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	2

J.H. Ayres & Co.'s expertise centers on changes of Federal Reserve System monetary policy, based on the principle that an expanding economy creates a favorable climaie for investments. Changes in money flows precede or coincide with basic changes in stock and bond prices and business. Using this data, it alternates investments between equity mutual funds and money market mutual funds. The firm is flexible, with investments varying from 100% equity mutual funds and 0% money market funds to the reverse.

As of Jan. 1, the firm was invested 100% in mutual funds.

James H. Ayres, president, is the chief investment officer and the client contact.

b

BA Investment Management Corp.

555 California St., San Francisco, Calif. 94104; (415) 622-6776

Total assets mgd.	$2,706,000,000
Tax-exempt assets mgd:	
Total	$2,291,000,000
Fully discretionary	$2,291,000,000
Master trust assets	$7,032,000,000
Real estate assets mgd	$74,000,000
International assets mgd	$8,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	17
Types of accounts mgd	CFGJ
No. of portfolio mgrs	9
Size of research staff	11

BA Investment Management Co. is a subsidiary of BankAmerica Corp. For equity investments, it emphasizes value-oriented situations, with above-average return potential and with a bias toward companies that exhibit superior growth and profit characteristics.

For fixed income, active management is based on capital preservation with an opportunity to move into intermediate and longer-term securities depending on its interest-rate forecast.

Master trust services are provided by Bank of America.

As of Jan. 1, the asset mix was 49% stocks, 44% bonds and 7% equity real estate.

Clients include Morrison Knudsen, Sunshine Biscuits and American Motors Corp.

Robert G. Wade Jr., president and chairman of the board, is the chief investment officer; Douglas E. Heidohrn, senior vice president, marketing and client services, is the client contact.

BEA Associates Inc.

153 East 53rd St., New York, N.Y. 10022; (212) 832-2626

Total assets mgd.	$2,656,000,000
Tax-exempt assets mgd:	
Total	$2,506,000,000
Fully discretionary	$2,506,000,000
International assets mgd	$150,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	141
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	3

BEA Associates' equity management emphasizes both the selection of undervalued securities and the identification of industries and sectors with above average appreciation prospects.

The firm's bond focus is on total return, emphasizing active duration and sector adjustment.

The firm is considering using stock index futures as a hedging device.

As of Jan. 1, the asset mix was 63% stocks, 22% bonds and 15% cash.

Clients include Buckeye Pipeline, the state of Oregon, General Public Utilities and Consolidated Natural Gas.

Albert L. Zesiger, president and chairman, is the chief investment officer; John B. Hurford, director and vice president, is the client contact.

David L. Babson Co. Inc.

One Boston Place, Boston, Mass. 02108; (617) 723-7540

Total assets mgd.	$3,222,000,000
Tax-exempt assets mgd:	
Total	$1,855,000,000
Fully discretionary	$1,708,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	153
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	20
Size of research staff	9

David L. Babson & Co.'s stock portfolios are characterized by high-quality companies, both in terms of financial strength as well as persistent, above-average rates of growth of earnings and dividends.

Bonds are traded actively on the basis of changing yield relationships and supply/demand developments. The firm identifies securities with superior risk/reward characteristics.

As of Jan. 1, the asset mix was 78% stocks, 13% bonds and 9% cash.

Clients include Gillette, Western Electric, state of Connecticut, Wittenberg University and Service Employees International Union.

H. Bradlee Perry, president, is the chief investment officer; Robert M. Angland, vice president, is the client contact.

Badgley & Phelps Inc.

3206 Rainier Tower, Seattle, Wash. 98101; (206) 623-6172

Total assets mgd.	$205,000,000
Tax-exempt assets mgd:	
Total	$50,000,000
Fully discretionary	$10,000,000
Minimum separate account	na
Tax-exempt clients	35
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	0

Badgley & Phelps Inc. is a long-term investor in high quality growth in equity. For fixed income, it invests in intermediate-term investments in AA or better bonds.

As of Jan. 1, the asset mix was 60% stocks, 35% bonds and 5% cash.

Walter Phelps, president, is the chief investment officer; Patrick W. Sullivan, vice-president, is the client contact.

Julius Baer Investment Management Inc.

330 Madison Ave., New York, N.Y. 10017; (212) 949-9055

Total assets mgd.	$3,000,000,000
Tax-exempt assets mgd:	
Total	$300,000,000
Fully discretionary	$300,000,000
International assets mgd	$300,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	na
Types of accounts mgd	C
No. of portfolio mgrs	30
Size of research staff	12

Julius Baer Investment Management is an international investment management subsidiary of Bank Julius Baer & Co. Ltd., Zurich, Switzerland. The firm follows a fundamental bottom-up approach with emphasis on currency selection, generally restricted to sovereign credits or equivalents, for its international bonds.

As of Jan. 1, the asset mix was 65% bonds, 25% stocks and 10% cash.

Helmuth Saurer, managing director, is the chief investment officer; Francesco Andina is the client contact.

Bailard, Biehl & Kaiser Inc.

951 Mariner's Island Blvd., San Mateo, Calif. 94404; (415) 571-5800

Total assets mgd.	$250,000,000
Tax-exempt assets mgd:	
Total	$50,000,000
Fully discretionary	$50,000,000
Real estate assets mgd	$37,000,000
International assets mgd	$5,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	21
Types of accounts mgd	CJ
No. of portfolio mgrs	8
Size of research staff	5

Bailard, Biehl & Kaiser Inc. relies upon economic forecasts to determine the percentage of portfolios allocated to stocks and bonds. Equities are managed using the Graham & Dodd approach. Market timing strategy is used for both equities and bonds.

As of Jan. 1, the asset mix was 48% bonds, 25% stocks, 13% equity real estate, 11% international securities and 3% cash.

Clients include Western Airlines, H.S. Crocker, Joseph Magnin and Computer Curriculum.

Ronald W. Kaiser, senior vice president, is the chief investment officer; Brian E. Schaefer, vice president, is the client contact.

Balch, Hardy & Scheinman

501 Fifth Ave. Suite 907, New York, N.Y. 10017 (212) 661-6290

Total assets mgd.	$353,000,000
Tax-exempt assets mgd:	
Total	$352,000,000
Fully discretionary	$352,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	18
Types of accounts mgd	CGJ
No. of portfolio mgrs	4
Size of research staff	na

An options manager, Balch, Hardy & Scheinman Inc. uses a pure probabilistic approach based on stocks' volatilities in option overriding. In buy/write accounts, the firm uses MPT with rebalancing.

As of Jan. 1, the asset mix was 95% stocks, 4% cash and 1% bonds.

Clients include Allied Corp., GTE, Shell Oil, U.S. Gypsum and Blue Cross/Blue Shield.

William F. Balch, president, is the chief investment officer; Steve Hardy, vice president, is the client contact.

Balcor/American Express

10024 Skokie Blvd. Skokie, Ill. 60077; (312) 677-2900

Total assets mgd.	$2,000,000,000
Tax-exempt assets mgd:	
Total	$286,000,000
Fully discretionary	$286,000,000
Real estate assets mgd	$2,000,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	21
Types of accounts mgd	CEFG
No. of portfolio mgrs	na
Size of research staff	na

Balcor/American Express Inc., a subsidiary of American Express Inc., deals exclusively in mortgages, with equity participation.

As of Jan. 1, the asset mix was 100% mortgages. Clients include Sherwin Williams, Burlington Industries and Fidelity Mutual.

Barry R. Jackson, senior vice president, is the chief investment officer; Richard L. Bennett, vice president, is the client contact.

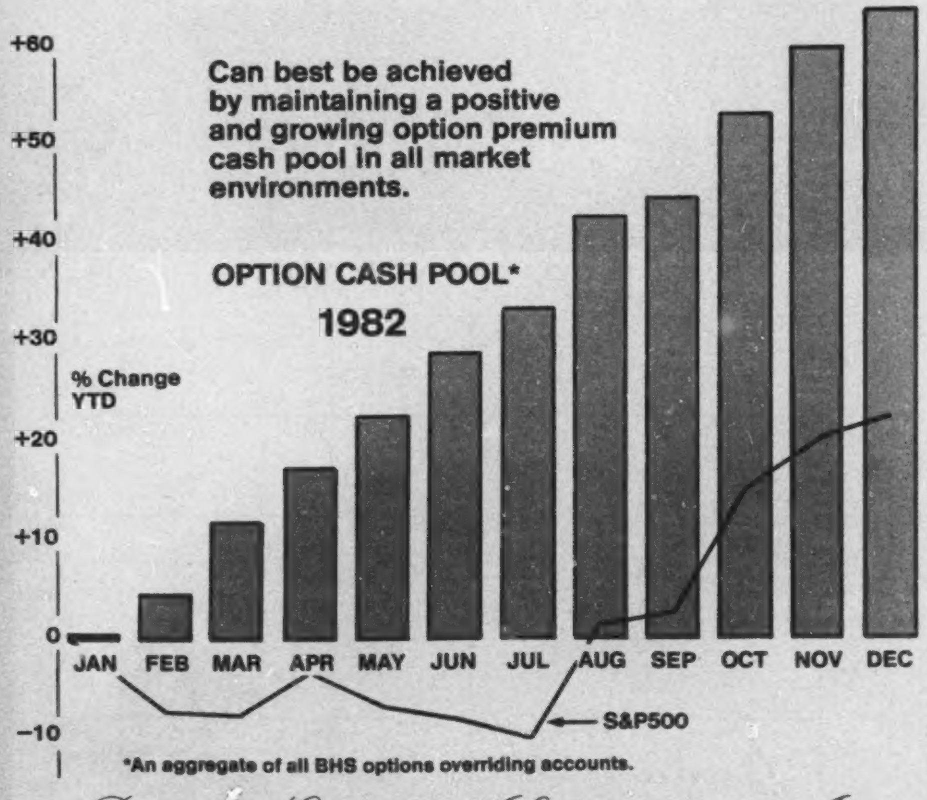
BancOhio Capital Management

155 East Broad St., Columbus, Ohio 43251; (614) 463-8075

Total assets mgd.	$200.000.000

BancOhio continued on page 33

SUCCESSFUL OPTION OVERRIDING



*An aggregate of all BHS options overriding accounts.

Balch, Hardy & Scheinman, Inc.

INVESTMENT COUNSELORS

The Options Manager

501 FIFTH AVENUE, SUITE 907, NEW YORK, NEW YORK 10017, (212) 661-6290

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Thorndike, Doran,
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28 State Street
Boston, Mass. 02109

233 Peachtree Street, NE
Atlanta, Ga. 30303

Thorndike, Doran, Paine & Lewis

BancOhio continued from 32

Tax-exempt assets mgd:	
Total	$200,000,000
Fully discretionary	$200,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	20
Types of accounts mgd	CEFG
No. of portfolio mgrs	3
Size of research staff	4

BancOhio Capital Management is a subsidiary of BancOhio National Bank.

The firm uses earnings momentum analysis to form the basis of its security selection for equities, which is refined by incorporating market momentum and cash flow analysis.

For fixed income, market participation is driven primarily by selection of appropriate maturity structure, further enhanced by decisions of appropriate sector, quality and asset characteristics.

As of Jan. 1, the asset mix was 60% stocks and 40% bonds.

Clients include Ohio Northern University, Franklin University, Industrial Commission of Ohio and Burgess & Niple Ltd.

Ellwood W. Lewis, vice president, is the chief investment officer; Phillip P. Deutsch, assistant vice president, is the client contact.

Bankers Life

711 High St., Des Moines, Iowa
50307; (515) 247-5111

Total assets mgd.	$9,959,000,000
Tax-exempt assets mgd:	
Total	$6,918,000,000
Fully discretionary	$6,918,000,000
Real estate assets mgd	$10,000,000
Minimum separate account	na
Tax-exempt clients	13,000
Types of accounts mgd	CGJ
No. of portfolio mgrs	4
Size of research staff	32

Bankers Life has a top-down, value oriented equity approach, determined by relating current price to estimated future dividends. The bond approach uses both public and private markets, focusing on interest rates, credit risk, maturities and terms.

As of Jan. 1, the asset mix was 44% private placements, 40% mortgages, 10% stocks, 3% bonds, 2% cash and 1% equity real estate.

Clients include Western Publishing, Meredith Publishing, Lubrizol and Eighth Farm Credit District.

Roy Ehrle, senior vice president, is the chief investment officer; Ronald E. Keller is the client contact.

Bankers Trust Co.

280 Park Ave., New York, N.Y. 10017;
(212) 850-2237

Total assets mgd.	$18,800,000,000
Tax-exempt assets mgd:	
Total	$18,800,000,000
Fully discretionary	$18,800,000,000
Master trust assets	$38,000,000,000
Master custodian assets	$1,600,000,000
International assets mgd	$34,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	285
Types of accounts mgd	CFG:
No. of portfolio mgrs	18
Size of research staff	24

Bankers Trust Co.'s equity approach utilizes a Graham & Dodd approach of risk-controlled, bottom-up, with an emphasis on security selection.

For fixed income, the bank focuses on maturity restructuring in anticipation of interest rate changes, but forecasts so as not to expose portfolios to undue risk.

The bank has $34 million invested internationally, $24 million in foreign stocks and the remainder in foreign bonds.

As of Jan. 1, the asset mix was 50% stocks, 25% bonds and 25% cash.

Clients include General Motors, Lockheed, Mobil Oil Corp. and Philip Morris.

H. Kent Atkins, senior vice president, is the chief investment officer; John Schroeder, senior vice president, is the client contact.

Bank of California

POB 45000, San Francisco, Calif.
94145; (415) 765-0400

Total assets mgd.	$2,206,000,000
Tax-exempt assets mgd:	
Total	$300,000,000
Fully discretionary	$300,000,000
Real estate assets mgd	$286,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	300
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	16
Size of research staff	7

Bank of California, a subsidiary of BankCal Tri-State Corp., uses two approaches in equity investing. One seeks to achieve above-average capital appreciation through a well-managed, highly profitable portfolio and fast growing companies. The second approach tries to achieve better-than-average returns on undervalued securities.

For fixed-income securities, sector rotation and interest rate anticipation techniques are used.

As of Jan. 1, the asset mix was 53% stocks, 33% bonds, 12% cash, 1% equity real estate and 1% mortgages.

Clients include Amstar Corp., Shriners Hospitals, Hills Bros. Coffee Inc. and the Masters Mates & Pilots Union.

Peter A. McIntyre, vice president, is the chief investment officer; James E. Elder, vice president, is the client contact.

Bank of New England

28 State St., Boston, Mass. 02109;
(617) 742-4000

Total assets mgd.	$4,900,000,000
Tax-exempt assets mgd:	
Total	$577,000,000
Fully discretionary	$546,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	418
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	14

The Bank of New England has a commitment to long-term growth of income and asset value for equity investments. It emphasizes industry groups and individual issues of companies with consistent records of earnings growth.

For bonds, the bank uses rate forecasting minimized with its portfolio "laddered out" two to 10 years. The balance is actively traded along a yield curve to 40 years.

As of Jan. 1, the asset mix was 58% stocks, 31% bonds and 11% cash.

Clients include Bird & Son, Foxboro Co. and Norton.

Antony Edgar, senior vice president, is the chief investment officer; Joyce A. Braude is the client contact.

Bank of New York

48 Wall St., New York, N.Y. 10015;
(212) 530-8715

Total assets mgd.	$11,000,000,000
Tax-exempt assets mgd:	
Total	$4,100,000,000
Fully discretionary	$3,500,000,000
Master trust assets	$3,200,000,000
International assets mgd	$30,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	150
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	13

The Bank of New York's equity approach seeks to identify those sectors of the market that are likely to be leaders for a full market cycle, and to invest between 60% and 70% of the portfolio in those sectors.

For fixed income, the bank's portfolio sensitivity is adjusted primarily on the basis of its outlook for interest rates. Basic adjustments typically involve maturity, coupon level and sector weightings.

The bank has $30 million invested overseas in foreign bonds.

As of Jan. 1, the asset mix was 56% stocks, 35% bonds and 9% cash.

Charles L. Booth, executive vice president, is the chief investment officer; Nicholas R. Whitcraft, vice president, is the client contact.

Bank of Oklahoma

P.O. Box 2300, Tulsa, Okla. 74192;
(918) 588-6738

Total assets mgd.	$1,437,000,000
Tax-exempt assets mgd:	
Total	$1,074,000,000
Fully discretionary	na
Master trust assets	$88,000,000
Master custodian assets	$358,000,000
Minimum separate account	na
Tax-exempt clients	245
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	0

The Bank of Oklahoma uses a top-down equity approach focusing on economic expectations to determine areas of growth via overweighting and underweighting against the Standard & Poor's 500, and timing of the investment within those areas for equities.

For fixed income, the bank uses interest rate anticipation, keeping the average maturity of the portfolio as short as possible.

As of Jan. 1, the asset mix was 44% stocks, 31% bonds, 19% cash and 6% real estate.

Clients include Cities Service Co., The Williams Cos., Reading and Bates and the Oklahoma Police System.

Ned W. Schmidt, vice president, is the chief investment officer; Barry L. Searer is the client contact.

Bank of the Southwest

910 Travis, P.O.Box 2629, Houston,
Texas 77001; (713) 751-6683

Total assets mgd.	$985,000,000
Tax-exempt assets mgd:	
Total	$148,000,000
Fully discretionary	$148,000,000
Master trust assets	$160,000,000
Master custodian assets	$225,000,000
Minimum separate account	$500,000
Tax-exempt clients	230
Types of accounts mgd	CE
No. of portfolio mgrs	4
Size of research staff	4

Bank of the Southwest, a subsidiary of Southwest Bancshares, favors small stocks for its equity approach, using a bottom-up selection procedure and specializing in companies in the Southwest. It uses market timing to improve results.

For fixed income, the bank trades long treasurer issues in commingled bond funds, and purchases and holds intermediate term issues until maturity.

As of Jan. 1, the asset mix was 50% stocks, 30% bonds and 20% cash.

Hilton Hemphill, senior vice president, is the chief investment officer; Lonnie L. Parr is the client contact.

Bank One Trust Co.

100 E. Broad St., Columbus, Ohio,
43271; (614) 463-5995

Total assets mgd.	$1,200,000,000
Tax-exempt assets mgd:	
Total	$450,000,000
Fully discretionary	$400,000,000
Master trust assets	$200,000,000
Master custodian assets	$800,000,000
Real estate assets mgd	$7,000,000
Minimum separate account	$500,000
Tax-exempt clients	230
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	0

Bank One's equity emphasis is on secondary companies and flexibility to get out of the market. It uses fundamental and technical analysis. For fixed investments, it has a conservative style with limited maturities and emphasis on government/government agency securities. It also has an aggressive in-and-out-of-the-market style with emphasis on government and government agency securities.

As of Jan. 1 the asset mix was 65% stocks, 15% bonds, 15% cash and 5% equity real estate.

Clients include Monarch Machine Tool Co., White Castle System and Worthington Industries.

Michael B. Steel, vice president, is the chief investment officer; H. Herbert Schupp, vice president, is the client contact.

Baring International Investment Ltd.

77 Franklin St., Boston, Mass. 02110;
(616) 357-8480

Total assets mgd.	$85,000,000
Tax-exempt assets mgd:	
Total	$85,000,000
Fully discretionary	$85,000,000
International assets mgd	$85,000,000
Minimum separate account	na
Tax-exempt clients	5
Types of accounts mgd	C
No. of portfolio mgrs	9
Size of research staff	9

Baring International Investment Ltd., an international investment management subsidiary of Baring Brothers & Co., uses a top-down equity approach to determine geographic and asset allocation. In individual countries, the firm is a stock picker with a strong bias toward growth.

As of Jan. 1, the asset mix was 90% stocks and 10% cash.

Clients include Beatrice Foods, TRW and Inland Steel.

Peter Hartley, managing director, is chief investment officer; John McNamara, director, is the client contact.

Barrow, Hanley, Mewhinney & Strauss Inc.

1250 Two Lincoln Centre, 5420 LBJ
Freeway, Dallas, Texas 75240;
(214) 392-3100

Total assets mgd.	$325,000,000

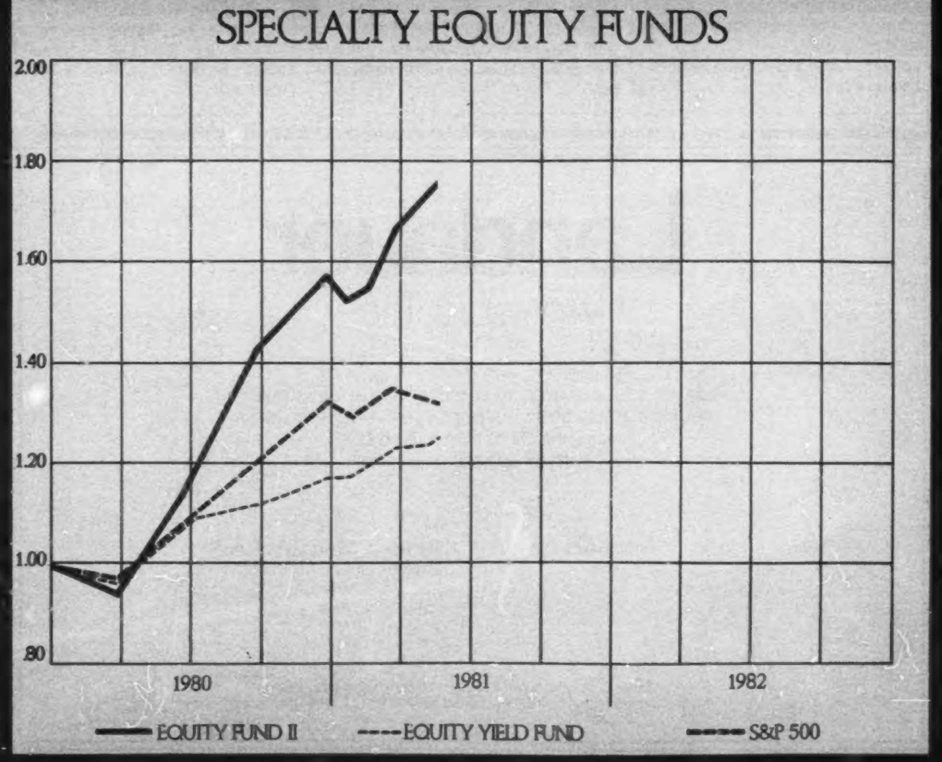
Barrow, Hanley continued on 34

IF YOU WANT TO SEE PERFORMANCE, TURN THE PAGE.

Bank of Boston believes that when you invest your portfolio in one of our specialty equity funds, you'll not only diversify your risk, you can expect better returns.

Take our Equity Fund II for example. This aggressive fund achieves competitive returns by investing in exceptional companies with above average earning potential.

BANK OF BOSTON
THE FIRST NATIONAL BANK OF BOSTON
Institutional Investment Division



Barrow, Hanley continued from 33

Tax-exempt assets mgd:	
Total	$325,000,000
Fully discretionary	$325,000,000
Minimum separate account	$3,500,000
Tax-exempt clients	7
Types of accounts mgd	CG
No. of portfolio mgrs	4
Size of research staff	0

Barrow, Hanley, Mewhinney & Strauss Inc. focuses on high earnings yield and high growing dividend yield for equities.

As of Jan. 1, the asset mix was 95% stocks and 5% cash.

Clients include Phillips Petroleum, Pacific Gas & Electric, National Rural Electric Cooperative Association and the city of Memphis.

Michael C. Mewhinney is the client contact.

Bartlett & Co.

120 East Fourth St., Cincinnati, Ohio 45202; (513) 621-4612

Total assets mgd.	$417,000,000
Tax-exempt assets mgd:	
Total	$99,000,000
Fully discretionary	$99,000,000
Real estate assets mgd	$9,000,000
Minimum separate account	$150,000
Tax-exempt clients	92
Types of accounts mgd	CEF
No. of portfolio mgrs	13
Size of research staff	3

Bartlett & Co.'s equity selection is value oriented with emphasis on companies with a strong financial position. It seeks a large number of positions concentrated in areas deemed to be undervalued.

The firm believes fixed-income strategy should be defensive. High quality and liquidity are of prime importance. Maturities are adjusted moderately in anticipation of interest rate swings.

Foreign investment management capability is under study.

As of Jan. 1, the asset mix was 56% stocks, 34% bonds and 10% cash.

William A. Friedlander is the chief investment officer and Woodrow H. Uible is the client contact.

Batterymarch Financial Management

600 Atlantic Ave., Boston, Mass. 02210; (617) 973-9300

Total assets mgd.	$7,995,000,000
Tax-exempt assets mgd:	
Total	$7,891,000,000
Fully discretionary	$7,891,000,000
International assets mgd	$68,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	116
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	0

Batterymarch Financial Management employs a sector rotation approach for equities. The firm's management of common stocks is contrary, value oriented, conservative, opportunistic and quantitative with a strategic orientation.

As of Jan. 1, the asset mix was 98% stocks and 2% cash.

Clients include Rockefeller Foundation, Honeywell Inc., the state of Oregon and Northern California Retail Clerks Unions.

Dean LeBaron, president, is the chief investment officer; Alan J. Strassman, executive vice president, is the client contact.

P.E. Becker Inc.

1 S.W. Columbia St., Portland, Ore. 97225; (503) 223-1720

Total assets mgd.	$62,000,000
Tax-exempt assets mgd:	
Total	$28,000,000
Fully discretionary	$28,000,000
Minimum separate account	$500,000
Tax-exempt clients	34
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	0

P.E. Becker believes in strong fundamental research, and paying less for a dollar of earnings, dividends and assets. Special emphasis is given to companies in the Pacific Northwest.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds and 10% cash.

Clients include University of Portland, Rogue Valley Physicians Service and Blue Mt. Forest Products.

Patrick E. Becker is the chief investment officer and client contact.

Beese, Fulmer Associates Inc.

205 Central Plaza So., Canton, Ohio 44702; (216) 454-6555

Total assets mgd.	$45,000,000
Tax-exempt assets mgd:	
Total	$10,000,000
Fully discretionary	$10,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	3
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	0

Beese, Fulmer Associates focuses on emerging growth and value orientation for equities. For fixed income, the firm relies on yield spread analysis for determining sector preference.

As of Jan. 1, the asset mix was 70% stocks, 20% bonds and 10% cash.

Dennis S. Fulmer, chairman, is the chief investment officer; William A. Pincoe, president, is the client contact.

Sanford C. Bernstein & Co. Inc.

767 Fifth Ave., New York, N.Y. 10022; (212) 486-5800

Total assets mgd.	$901,000,000
Tax-exempt assets mgd:	
Total	$389,000,000
Fully discretionary	$389,000,000
Minimum separate account	$100,000
Tax-exempt clients	30
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	25

Sanford C. Bernstein & Co. is a sector rotation equity manager that invests on an intrinsic value approach that integrates fundamental research with a disciplined valuation methodology.

For fixed income, the firm uses sector analysis and strategic evaluation to maximize returns.

As of Jan. 1, the asset mix was 86% stocks, 10% bonds and 4% cash.

Clients include Ashland Oil, Chrysler Corp., New York State Teachers' Retirement System and Allegheny Power.

Peter Carman is the chief investment officer; Richard S. Abramson is the client contact.

Bernstein-Macaulay Inc.

505 Park Ave., New York, N.Y. 10022; (212) 826-1500

Total assets mgd.	$2,900,000,000
Tax-exempt assets mgd:	
Total	$2,850,000,000
Fully discretionary	$2,850,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	84
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	3

Bernstein-Macaulay, a subsidiary of Shearson/American Express, uses a top-down risk-averse approach for equities, rotating between industries and sectors most attractive.

The firm's fixed-income approach focuses on trend analysis and interest rate anticipation.

As of Jan. 1, the asset mix was 50% bonds, 36% stocks and 14% cash.

Clients include Atlantic Richfield Co., Kennecott Corp., Mars Inc. and the City of New York Teachers Retirement System.

James Karanfilian, vice chairman, is the chief investment officer; Duane G. Roberts, vice president, is the client contact.

Bessemer Trust Co.

630 Fifth Ave., New York, N.Y., 10111; (212) 708-9141

Total assets mgd.	$3,011,000,000
Tax-exempt assets mgd:	
Total	$366,000,000
Fully discretionary	$331,000,000
Real estate assets mgd	$1,000,000
International assets mgd	$4,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	57
Types of accounts mgd	CEF
No. of portfolio mgrs	9
Size of research staff	6

Bessemer Trust Co. uses valuation models based on growth, emerging growth, low price-earnings, sector rotation and dividend growth and yield to screen a universe of 1,500 common stocks. For fixed income, the firm uses interest-rate forecasting and risk acceptance to establish asset allocations for balanced accounts and to identify particular bonds.

As of Jan. 1, the asset mix was 55.2% stocks, 33.7% bonds, 10.9% cash and 0.2% equity real estate.

Clients include Diamond International, W.R. Grace & Co., Bawden Drilling and Metal Boc PLC.

Charles W. Hastings and Speros G. Drelles, are the chief investment officers; Robert C. Elliott is the client contact.

The Beyreuther Co.

428 E. 11th Ave., Denver, Colo. 80203; (303) 831-6262

Total assets mgd.	$5,000,000
Tax-exempt assets mgd:	
Total	$5,000,000
Fully discretionary	$5,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	5
Types of accounts mgd	CJ
No. of portfolio mgrs	1
Size of research staff	0

The Beyreuther Co. follows a conservative philosophy for equities, avoiding large losses and excessive volatility. A disciplined method isolates low risk stocks growing faster than average. For fixed income it ladders maturities keeping the average maturity in the short- to intermediate-term range.

As of Jan. 1, the asset mix was 50% bonds, 30% stocks and 20% cash.

Clients include Albany Bank & Trust, M.H. Detrick Co. and Natico Inc.

Paul A. Beyreuther, president, is chief investment officer; Robert Pope, branch manager, is the client contact.

George D. Bjurman & Associates

10100 Santa Monica Blvd., Suite 2300, Los Angeles, Calif. 90067; (213) 553-6577

Total assets mgd.	$484,000,000
Tax-exempt assets mgd:	
Total	$455,000,000
Fully discretionary	$455,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	12
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	1

George D. Bjurman buys undervalued issues based on proprietary screening techniques; the firm emphasizes issues with superior growth on earnings and dividends, and employs cash reserve strategies to reduce risk. For fixed income, the firm maximizes total return, given the client's risk tolerance. It preserves capital by minimizing credit risk and controlling market risk, and is an active bond manager with regard to maturity, coupon, sector and quality distribution.

As of Jan. 1, the asset mix was 38% stocks, 42% bonds and 20% cash.

Clients include the Denver Employees Retirement and the Grand Rapids Police and Firemen.

George D. Bjurman, chairman of the board, is the chief investment officer and the client contact.

BMI Capital Corp.

67 Wall St., New York, N.Y. 10005; (212) 422-1503

Total assets mgd.	$105,000,000
Tax-exempt assets mgd:	
Total	$85,000,000
Fully discretionary	$85,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	8
Types of accounts mgd	CGJ
No. of portfolio mgrs	4
Size of research staff	5

BMI Capital Corp., a subsidiary of Brean Murray, Foster Securities Inc., uses original independent research to select equities. It is a bottom-up investor.

As of Jan. 1, the asset mix was 98% stocks and 2% cash.

Clients include the state of Minnesota and the New York City Teachers' Retirement System.

Jerome Baron, chairman and James Awad, president, are the chief investment officers; Daniel E. Freelund, executive vice president, is the client contact.

Boatmen's National Bank of St. Louis

100 North Broadway, St. Louis, Mo. 63102; (314) 425-7700

Total assets mgd.	$4,104,000,000
Tax-exempt assets mgd:	
Total	$3,155,000,000
Fully discretionary	na
Minimum separate account	0
Tax-exempt clients	325
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	13
Size of research staff	6

Boatmen's National Bank uses a sector rotation approach for equities. For fixed income, the bank anticipates interest rate changes.

As of Jan. 1, the asset mix was 66% bonds, 26% stocks, 7% cash and 1% mortgages.

Clients include AT&T, Brown Group, INTERCO Inc. and Union Electric Co.

Russell W. Murphy, senior vice president, is the chief investment officer; Jeffrey A. Holtz, marketing officer, is the client contact.

The Boston Co.

One Boston Place, Boston, Mass. 02106; (617) 722-7000

Total assets mgd.	$6,485,000,000
Tax-exempt assets mgd:	
Total	$4,021,000,000
Fully discretionary	$3,181,000,000
Master trust assets	$11,543,000,000
Master custodian assets	$2,351,000,000
Real estate assets mgd	$305,000,000
International assets mgd	$16,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	90
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	14
Size of research staff	15

The Boston Co., a subsidiary of American Express, uses a value-oriented approach and sector weightings for equities. It uses interest rate anticipation for bonds, and maturity management within risk-controlled constraints.

The firm manages $16 million internationally, $15 million in foreign equities and $1 million in foreign bonds.

The Boston Safe Deposit and Trust Co., a subsidiary of The Boston Co., provides master trust and master custodian services. Real estate investments are managed through The Boston Co. Real Estate Counsel.

As of Jan. 1, the asset mix was 72% bonds, 14% stocks 8% equity real estate and 6% cash.

Clients include AT&T, General Motors, United Mine Workers and Eastman Kodak.

James N. von Germeten, vice chairman, is chief investment officer; Thomas J. Lucey, senior vice president and F. Corning Kenly III, vice president, are the client contacts.

J.C. Bradford & Co., Investment Management Dept.

170 4th Ave. North, Nashville, Tenn. 37219; (615) 748-9328

Total assets mgd.	$64,000,000
Tax-exempt assets mgd:	
Total	$43,000,000
Fully discretionary	$43,000,000
Minimum separate account	$500,000
Tax-exempt clients	94
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	9

J.C. Bradford & Co. uses fundamental analysis for stock selection combined with timing purchases and sales. For bonds, it focuses on interest rate anticipation.

As of Jan. 1, the asset mix was 43% stocks, 34% bonds and 23% cash.

James W. Cawood, vice president, is the chief investment officer; Thomas C. Pollock is the client contact.

John W. Bristol & Co. Inc.

233 Broadway, New York N.Y. 10279; (212) 267-9000

Total assets mgd.	$950,000,000
Tax-exempt assets mgd:	
Total	$850,000,000
Fully discretionary	$850,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	26
Types of accounts mgd	CEF
No. of portfolio mgrs	6
Size of research staff	6

John W. Bristol & Co. uses sector rotation and growth stock to select equities. The firm focuses on changes in the interest rate for fixed income.

As of Jan. 1, the asset mix was 75% stocks, 20% bonds and 5% cash.

Clients include Princeton University, Swarthmore College, Research-Cottrell and Clark Art Institute.

Charles H. Mott, president, is the chief investment officer and the client contact.

Brokaw Capital Management Co.

660 Madison Ave., New York, N.Y. 10021; (212) 980-1881

Total assets mgd.	$400,000,000

Brokaw continued on page 35

Landauer
Advisors, Inc.

As registered investment advisor,
Landauer seeks to acquire existing, prime office buildings,
regional malls and master planned industrial parks
requiring $7 to $50 million cash,
with or without financing.

Your inquiries are invited:

Patrick J. Callan, President
Landauer Advisors, Inc.
200 Park Avenue
New York, N.Y. 10166
212-687-2323

Landauer is compensated by its clients on a retainer basis and
neither expects nor would accept compensation from sellers or brokers.

Brokaw Capital continued from 34

Tax-exempt assets mgd:	
Total	$372,000,000
Fully discretionary	$372,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	17
Types of accounts mgd	CEFG
No. of portfolio mgrs	2
Size of research staff	1

Brokaw Capital Management uses a strategic approach for equities. Its portfolios, at times, employ cash when an attractive alternative appears in a sector.

As of Jan. 1, the asset mix was 91% stocks and 9% cash.

Clients include city of Memphis, Levi Strauss & Co., Xerox Corp. and W.R. Grace & Co.

William V. Brokaw, president, is the chief investment officer; Sandra A. Jerro is the client contact.

Alexander Brown & Sons Investment Advisory Service

135 E. Baltimore St., Baltimore, Md. 21202; (301) 727-1700

Total assets mgd.	$225,000,000
Tax-exempt assets mgd:	
Total	$145,000,000
Fully discretionary	$145,000,000
Real estate assets mgd	$50,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	36
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	0

Alexander Brown & Sons uses a low relative price-earnings approach with more of a bottom-up than top-down orientation to pick stocks.

The firm uses short-to-intermediate fixed-income instruments with occasional emphasis on interest rate anticipation. It also uses options.

Alex Brown Realty Advisors Inc. is the firm's real estate investment subsidiary and has $50 million under management, all in equity real estate.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

J. Dorsey Brown III is chief investment officer and client contact.

Brown Bros., Harriman & Co.

59 Wall St., New York, N.Y. 10005; (212) 483-1818

Total assets mgd.	$8,700,000,000
Tax-exempt assets mgd:	
Total	$5,780,000,000
Fully discretionary	$5,780,000,000
International assets mgd	$230,000,000
Minimum separate account	na
Tax-exempt clients	358
Types of accounts mgd	CEFG
No. of portfolio mgrs	54
Size of research staff	23

Brown Bros., Harriman & Co. utilizes stock selection, diversification and market timing for equity accounts. The firm has an activist approach for fixed income that uses sector and individual issue swapping as well as interest rate anticipation.

As of Jan. 1, the asset mix was 50% bonds, 40% stocks, and 10% cash.

Clients include American Airlines, AT&T and Joseph Seagram & Sons.

Maarten van Hengel is the chief investment officer; Douglas McCartney is the client contact.

C.H. Brown Co.

165 South Plaza Building, Minneapolis, Minn. 55416; (612) 544-8411

Total assets mgd.	$85,000,000
Tax-exempt assets mgd:	
Total	$65,000,000
Fully discretionary	$65,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	86
Types of accounts mgd	CFG
No. of portfolio mgrs	4
Size of research staff	0

C.H. Brown & Co.'s equity approach focuses on industries or sectors that have been undervalued. The firm's fixed-income approach uses interest rate anticipation.

As of Jan. 1, the asset mix was 65% bonds and 35% stocks.

Richard H. Brown and Curtis K. Lane are chief investment officers along with Steven R. Tomingas, who also is the client contact.

Brundage, Story & Rose

1 Broadway, New York, N.Y. 10004; (212) 269-3050

Total assets mgd.	$3,500,000,000
Tax-exempt assets mgd:	
Total	$2,450,000,000
Fully discretionary	$1,470,000,000
Minimum separate account	na
Tax-exempt clients	na
Types of accounts mgd	CEFG
No. of portfolio mgrs	na
Size of research staff	na

Pensions & Investment Age estimates that the tax-exempt assets at Brundage, Story & Rose increased to about $2.4 billion from $1.9 billion last year.

All of the figures used in the profile are estimates.

Clients include Amax Inc., American Can Co., W.R. Grace & Co. and Merck & Co.

Malcolm D. Clarke, partner, is the client contact.

Burgess Capital Corp.

801 Welch Rd., Suite 200, Palo Alto, Calif. 94304; (415) 325-4545

Total assets mgd.	$72,000,000
Tax-exempt assets mgd:	
Total	$68,000,000
Fully discretionary	$68,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	14
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	0

Burgess Capital Corp. uses sector rotation with market timing secondary in its approach to equity investment.

The firm uses options, stock index futures and fixed-income futures as hedging devices.

As of Jan. 1, the asset mix was 65% stocks and 35% cash.

Clients include Kaiser Steel and Caltow-Steens.

Robert F. Burgess, president, is the chief investment officer; Jarrott Miller, vice president, is the client contact.

C

CB International Investments Ltd.

11 Old Broad St., London, EC2N 1BB; (01) 638-6000

Total assets mgd.	$67,000,000
Tax-exempt assets mgd:	
Total	$67,000,000
Fully discretionary	$67,000,000
International assets mgd	$11,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	2
Types of accounts mgd	C
No. of portfolio mgrs	4
Size of research staff	na

CB International is an international investment adviser, and a subsidiary of County Bank Ltd.

It uses market and currency selection for equity investments, using hedging techniques to separate individual elements.

As of Jan. 1, the asset mix was 98% in equities and 2% in bonds.

Alan J. Albert is the chief investment officer and client contact.

CFB Advisory Corp.

P.O. Box 27602, Richmond, Va. 23261; (804) 782-4920

Total assets mgd.	$800,000,000
Tax-exempt assets mgd:	
Total	$140,000,000
Fully discretionary	$140,000,000
Minimum separate account	$250,000
Tax-exempt clients	311
Types of accounts mgd	CEFG
No. of portfolio mgrs	6
Size of research staff	0

A subsidiary of Central Fidelity Banks, CFB Advisory takes a top-down approach to equities with an emphasis on sector rotation, market timing and emerging growth issues.

For fixed income, the firm's emphasis is on interest rate anticipation with the primary goal being the reduction of volatility in principal values.

As of Jan. 1, the asset mix was 55% in equities, 40% in bonds and 5% cash.

Clients include A.H. Robins Co., Craddock-Terry Shoe Corp., city of Portsmouth and the Randolph Macon Women's College.

William F. Shumadine Jr., president, is the chief investment officer; L.P. King, vice president, is the client contact.

CIGNA Corp.

Hartford, Conn. 06152; (203) 725-2404

Total assets mgd.	$28,800,000,000
Tax-exempt assets mgd:	
Total	$12,740,000,000
Fully discretionary	$12,675,000,000
Real estate assets mgd	$217,000,000
International assets mgd	$200,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	7,607
Types of accounts mgd	CG
No. of portfolio mgrs	16
Size of research staff	22

CIGNA's equity philosophy is based on fundamental company and economic analysis.

It prefers companies that are leaders in their industries having high quality management and products, strong internal finances and above-average return on equity.

The company employs an active approach to fixed-income investments, using interest rate anticipation, trading skills, credit analysis and recognition of values.

The insurance firm also manages $217 million in real estate investments, and $200 million internationally.

As of Jan. 1, the asset mix was 55% in stocks, 30% bonds, 13% cash, 1% in equity real estate and 1% in mortgages.

Clients include United Technologies, the state of Connecticut, AT&T and United Airlines.

John K. Armstrong, executive vice president, is the chief investment officer; Robert E. Hyatt, vice president, is the client contact.

C & S Investment Counseling

P.O. 4114, 33 North Ave., Atlanta, Ga. 30302; (404) 581-3368

Total assets mgd.	$3,400,000,000
Tax-exempt assets mgd:	
Total	$2,600,000,000
Fully discretionary	$1,200,000,000
Master trust assets	$400,000,000
Master custodian assets	$150,000,000
Real estate assets mgd	$200,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	800
Types of accounts mgd	CEFG
No. of portfolio mgrs	7
Size of research staff	7

C & S, a unit of Citizens & Southern National Bank, is primarily a bottom-up stock selector with an emphasis on value and momentum. The sell discipline is heavily influenced by momentum. In fixed income, it attempts to minimize volatility. Issue and sector analysis are considered.

As of Jan. 1, the asset mix was 65% stocks, 30% bonds and 5% cash.

Clients include AT&T, Southern Co., the Salvation Army and the United Methodist Church-World.

David W. Meese, executive vice president, is the chief investment officer; James R. Wood, senior vice president, is the client contact.

C-S Capital Advisors Inc.

8150 Corporate Park Drive, Suite 224, Cincinnati, Ohio 45242; (513) 489-5556

Total assets mgd.	$11,000,000
Tax-exempt assets mgd:	
Total	$11,000,000
Fully discretionary	$11,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	2
Types of accounts mgd	CF
No. of portfolio mgrs	3
Size of research staff	0

C-S Capital Advisors' equity approach is based on a long-term, predetermined, disciplined strategy that stresses value, dividend and yield, and when coupled with an active options-writing program, maximizes cash flow. The firm uses options.

As of Jan. 1, the asset mix was 75% stocks and 25% cash.

Client's include Central Trust Co. and Arcadia Foundation.

C.C. Stahl, president, is the chief investment officer; Paul G. Chenault, chairman, is the client contact.

California First Capital Management

530 B St., San Diego, Calif. 92101; (619) 230-4714

Total assets mgd.	$850,000,000
Tax-exempt assets mgd:	
Total	$150,000,000
Fully discretionary	$125,000,000
International assets mgd	$5,000,000
Minimum separate account	$500,000
Tax-exempt clients	18
Types of accounts mgd	CEF
No. of portfolio mgrs	8
Size of research staff	0

California First is a subsidiary of California First Bank. It uses sector analysis for its balanced accounts and emerging growth analysis for its aggressive equity accounts. For fixed income, it uses a structural approach with maturities staggered up to 10

California continued on 36

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Our common stock Equity Yield Fund is anything but common. Designed for the more conservative retirement plan, diversification and stock selection make it a leader in its universe.

For those willing to assume market risk but expect better than market performance, our Computer Directed Fund's fully diversified portfolio does better than the index itself.

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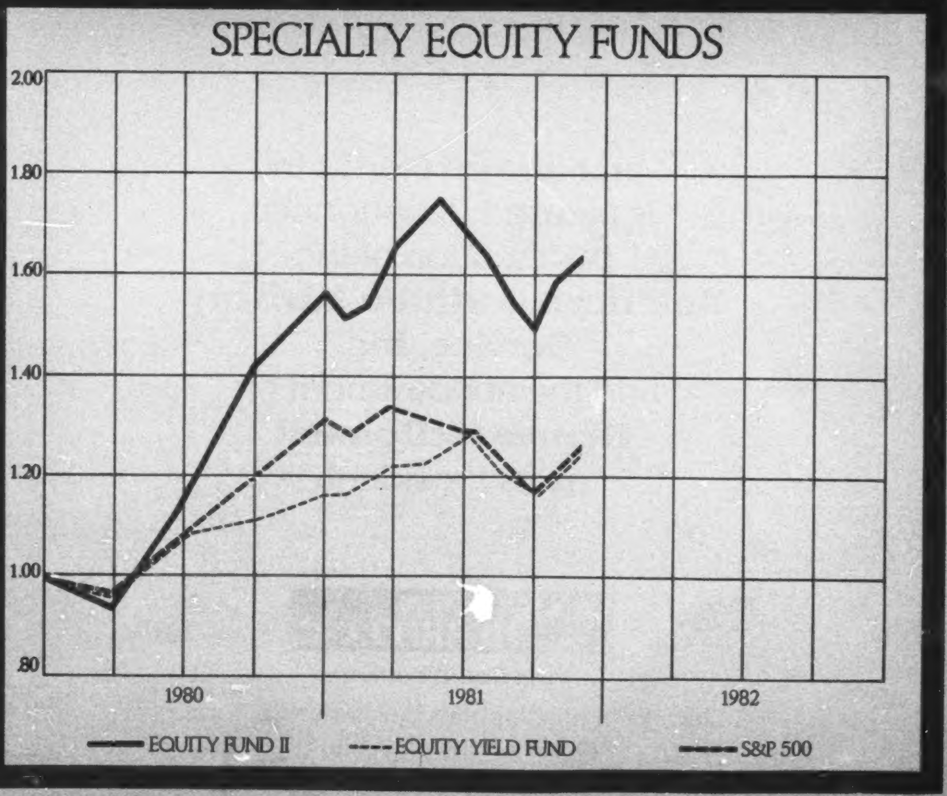
SPECIALTY EQUITY FUNDS

California First continued from 35

years. It also employs options.

As of Jan. 1, the asset mix was 68% stocks, 25% bonds, 2% cash and 5% mortgages.

Clients include Parker Foundation, Nabisco Brands and the San Diego Community Foundation.

William Jeffery III, vice president and senior investment officer, is the chief investment officer; Gordon Fisher, marketing officer, is the client contact.

Cambiar Investors Inc.

3600 S. Yosemite St., Suite 1000,
Denver, Colo. 80237; (303)
773-3636

Total assets mgd.	$91,000,000
Tax-exempt assets mgd:	
Total	$38,000,000
Fully discretionary	$38,000,000
International assets mgd	$2,000,000
Minimum separate account	$500,000
Tax-exempt clients	61
Types of accounts mgd	CEJ
No. of portfolio mgrs	2
Size of research staff	3

Cambiar Investor's equity approach concentrates on stocks with low price-earnings ratios that are not in favor. For fixed income it uses high-quality bonds with maturities of no more than five years.

As of Jan. 1, the asset mix was 80% equity and 20% bonds.

Clients include Guaranty National Insurance Co., MGF Oil Co. and Army Times.

Michael S. Barish, president, is the chief investment officer; Carl Barish, executive vice president, is the client contact.

Campbell, Reed, Conner & Birdwell Inc.

10889 Wilshire Blvd., Suite 945, Los
Angeles, Calif.; 90024 (213)
208-5023

Total assets mgd.	$171,000,000
Tax-exempt assets mgd:	
Total	$105,000,000
Fully discretionary	$64,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	24
Types of accounts mgd	CEF
No. of portfolio mgrs	4
Size of research staff	4

Campbell, Reed, Conner & Birdwell buys stocks it thinks will show a major change during a two-year period. For fixed income, it insists on high quality and marketability, and keeps maturities at five years or less.

As of Jan. 1, the asset mix was 60% stocks, 20% bonds and 20% cash.

Clients include Craig Corp., Dataproducts Corp., Scott Foundation and Washington Trust Bank.

Neil F. Campbell, founder, is the chief investment officer; Donn B. Conner, president, is the client contact.

William G. Campbell & Co. Inc.

215 E. 49th St., New York, N.Y.
10017; (212) 421-3561

Total assets mgd.	$105,000,000
Tax-exempt assets mgd:	
Total	$20,000,000
Fully discretionary	$20,000,000
Minimum separate account	$500,000
Tax-exempt clients	10
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	3

William G. Campbell & Co.'s equity approach seeks to achieve above-average appreciation by looking for superior growth companies. Stock selection and selling disciplines are governed by long-term fundamentals rather than short-term factors.

For fixed income, the firm anticipates interest rates.

As of Jan. 1, the asset mix was 70% stocks, 20% bonds and 10% cash.

John R. Suydam, director of research, is the chief investment officer; Margaret R. McInnis, director of operations, is the client contact.

Capital Consultants Inc.

2300 S.W. First Ave., Portland, Ore.
97201; (503) 241-1200

Total assets mgd.	$630,000,000
Tax-exempt assets mgd:	
Total	$600,000,000
Fully discretionary	$600,000,000
Master custodian assets	$190,000,000
Real estate assets mgd	$127,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	55
Types of accounts mgd	CFG
No. of portfolio mgrs	3
Size of research staff	2

Capital Consultants follows a philosophy that emphasizes "dominant themes which permeate the entire portfolio and result in a representation in the portfolio of at least 25%."

Custodial assets are managed by Capital Trust Co., a wholly owned subsidiary of Capital Consultants.

As of Jan. 1, the asset mix was 39% stocks, 40% bonds, 2% cash, 4% equity real estate and 15% mortgages.

Clients include the Utah State Retirement Fund, Precision Castparts Profit-Sharing Trust and the Washington Education Association Staff Retirement Plan.

L. W. Harris III, vice president and director of research is the chief investment officer; Charles J. Swindells, executive vice president, is the client contact.

Capital Guardian Trust Co.

333 S. Hope St., Los Angeles, Calif.
90071; (213) 486-9200

Total assets mgd.	$8,322,000,000
Tax-exempt assets mgd:	
Total	$8,322,000,000
Fully discretionary	$7,020,000,000
International assets mgd	$150,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	77
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	40

A subsidiary of The Capital Group Inc., Capital Guardian uses a fundamental equity investment approach based on detailed research. For fixed income, it uses value investing judged by the level and trend of inflation.

As of Jan. 1, the asset mix was 81% stocks, 10% bonds and 9% cash.

Clients include Armco Inc., International Paper Co., Mobil Oil Corp. and Boeing Co.

R. Michael Shanahan, president, is the chief investment officer; John H. Seiter, vice president is the client contact.

Capital Management Corp.

2201 Carew Tower, Cincinnati, Ohio
45202; (513) 621-7790

Total assets mgd.	$151,000,000
Tax-exempt assets mgd:	
Total	$104,000,000
Fully discretionary	$23,000,000
Minimum separate account	$300,000
Tax-exempt clients	11
Types of accounts mgd	CJ
No. of portfolio mgrs	2
Size of research staff	0

Capital Management's equity investment philosophy focuses on growth stocks. For fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 58% in equities, 25% in bonds and 17% cash.

Walter A. Zebrak Jr., president, is the chief investment officer; Richard T. Miller, vice president, is the client contact.

Capital Supervisors Inc.

20 N. Clark St., Suite 700, Chicago, Ill.
60602; (312) 236-8271

Total assets mgd.	$3,113,000,000
Tax-exempt assets mgd:	
Total	$3,050,000,000
Fully discretionary	$2,977,000,000
Minimum separate account	$250,000
Tax-exempt clients	42
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	8

Capital Supervisors takes a top-down approach to equities, using market timing and looking for value-oriented stocks. It does sector swapping for its fixed-income investments. As of Jan. 1, the asset mix was 33% in stocks, 50% in bonds and 17% in cash.

Clients include the Chicago Public School Teachers' Pension & Retirement Fund, Kentucky Retirement Systems, the Kansas Public Employees' Retirement System and General Binding Corp.

A. Lee Thurow, president, is the chief investment officer; J.C. Seyfarth, vice president, is the client contact.

Capital Technology Inc.

5950 Fairview Rd., Charlotte, N.C.
28210; (704) 554-9172

Total assets mgd.	$22,000,000
Tax-exempt assets mgd:	
Total	$14,000,000
Fully discretionary	$14,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	8
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	0

Capital Technology uses a rigid computer system to screen 4,000 equity issues for the top 1% in terms of fast earnings, growth, strong balance sheets, small size, low price-earnings ratios and several proprietary technical factors.

As of Jan. 1, the asset mix was 95% stocks and 5% cash.

Clients include Inductotherm Industries, Magnetic Metals Co. and Consarc.

James D. Nisbet, president, is the chief investment officer; Robb W. Rose, executive vice president, is the client contact.

Capitoline Investment Services Inc.

Box 436, Richmond, Va. 23203; (804)
782-7222

Total assets mgd.	$2,400,000,000
Tax-exempt assets mgd:	
Total	$750,000,000
Fully discretionary	$700,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	161
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	15
Size of research staff	5

Capitoline defines its equity style as opportunistic, in that it can change its investment focus based on judgments of relative value. For fixed income, it takes a quality emphasis using maturities of 10 years or less.

As of Jan. 1, the asset mix was 55% in equities, 30% in bonds and 15% cash.

Clients include Mead Corp., Media General, Overnite Transportation and Sweet Briar College.

James F. Jollay, senior vice president, is the chief investment officer; R.G. Porter III, vice president, is the client contact.

Cashman, Farrell and Associates Inc.

Penn Mutual Tower, Independence
Square, Philadelphia, Pa. 19106;
(215) 627-1895

Total assets mgd.	$365,000,000
Tax-exempt assets mgd:	
Total	$365,000,000
Fully discretionary	$365,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	7
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	2

Cashman, Farrell employs a low price-earnings, contrarian approach to equity management. For fixed income, it uses bonds with three- to 10-year maturities and an A rating or better.

As of Jan. 1, the asset mix was 94% stocks, 3% bonds and 3% cash.

Clients include Rockwell International Corp., GTE Corp., Pacific Gas & Electric Co. and the Pittsburgh Symphony Society.

Daniel V. Cashman, president, is the chief investment officer; Peter G. Wilds, vice president, is the client contact.

Centerre Trust Co. of St. Louis

510 Locust St., St. Louis, Mo. 63101;
(314) 231-9300

Total assets mgd.	$5,936,000,000
Tax-exempt assets mgd:	
Total	$2,832,000,000
Fully discretionary	$1,900,000,000
Master trust assets	$877,000,000
Master custodian assets	$142,000,000
Minimum separate account	na
Tax-exempt clients	200
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	12

A subsidiary of Centerre Bancorp., Centerre Trust Co. takes an active portfolio management approach to equities using investment research and analyst ratings. It has a managed approach to bonds, using interest rate anticipation, but prefers short-term securities.

As of Jan. 1, the asset mix was 26% in equities, 63% in bonds and 11% in cash.

Clients include McDonnell Douglas Corp., Olin Corp., Squibb Corp. and Union Electric Co.

James D. Wright, senior equity investment officer and Robert J. Franklin, senior fixed-income investment officer, are the chief investment officers; Richard J. Dodge, senior vice president of marketing, is the client contact.

Central National Bank of Cleveland

800 Superior Ave., Cleveland, Ohio
44114; (216) 344-3000

Total assets mgd.	$3,000,000,000
Tax-exempt assets mgd:	
Total	$750,000,000
Fully discretionary	$750,000,000
Real estate assets mgd	$45,000,000
Minimum separate account	na
Tax-exempt clients	673
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	5

Central National Bank is a subsidiary of Centran Corp.

Its equity approach uses emerging growth and Graham & Dodd techniques to achieve maximum return.

The bank's fixed-income emphasis is on quality and interest rate anticipation.

As of Jan. 1, the asset mix was 55% stocks, 35% bonds, 6% mortgages and 4% cash.

Clients include Republic Steel, Packer-Hannifan Corp. and Newspapers Publishers and Union of Cleveland.

Denis Amato, vice president, is the chief investment officer; Robert D. Shaw, vice president, is the client contact.

The Central Trust Co.

Fifth and Main Sts., Central Trust
Center, Cincinnati, Ohio 45202;
(513) 651-8446

Total assets mgd.	$1,800,000,000
Tax-exempt assets mgd:	
Total	$570,000,000
Fully discretionary	$570,000,000
Master trust assets	$50,000,000
Minimum separate account	na
Tax-exempt clients	na
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	6

A subsidiary of The Central Bancorporation Inc., The Central Trust Co. uses growth and emerging growth stocks for its equity investments and employs sector analysis and interest rate anticipation for fixed income.

As of Jan. 1, the asset mix was 60% in stocks, 30% in fixed income and 10% in cash.

Clients include Cincinnati Milacron, Cincinnati Bell, Diamond International and the Kuntz Foundation.

John F. Bolmfalk Jr., vice president, is the chief investment officer; Richard H. Burgin, senior trust officer, is the client contact.

Century Capital Associates

767 Third Ave., New York, N.Y.
10017; (212) 909-5800

Total assets mgd.	$1,000,000,000
Tax-exempt assets mgd:	
Total	$1,000,000,000
Fully discretionary	$1,000,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	50
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	na

For its equity investments, Century Capital uses sector rotation. For fixed income, it relies on interest rate anticipation.

As of Jan. 1, the asset mix was 69%

Century continued on page 37

Van Kampen Merritt Inc.
is pleased to announce
the creation of the
American Portfolio Advisory Service, Inc.
and the appointment of
Dennis McDonnell
as its President.

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Century continued from 36

stocks, 11% bonds and 20% cash.

Clients include Boeing Co., GTE, Continental Telephone and the District of Columbia Employees' Union Pension Fund.

James W. Harpel, senior partner, is the chief investment officer; Joseph W. Griffin, partner, is the client contact.

The Chapman Co.

Seventh Floor, Dows Building, Cedar Rapids, Iowa; (319) 366-8408

Total assets mgd.	$22,000,000
Tax-exempt assets mgd:	
Total	$15,000,000
Fully discretionary	$15,000,000
Minimum separate account	$300,000
Tax-exempt clients	28
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	0

The Chapman Co. uses several approaches to equities, but generally starts with a market and economic conditions filter and then uses specific approaches including sector rotation, Graham & Dodd and price-earnings analysis.

As of Jan. 1, the asset mix was 64% in stocks and 36% in cash.

John H. Chapman Jr., president, is the chief investment officer; Ann Frenzen, vice president, is the client contact.

Chase Investment Counsel Corp.

300 Preston Ave., Suite 403, Charlottesville, Va. 22901; (804) 293-9134

Total assets mgd.	$230,000,000
Tax-exempt assets mgd:	
Total	$197,000,000
Fully discretionary	$197,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	25
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	0

Chase Investment prefers undervalued, low price-earnings stocks with good growth continuity and intermediate market capitalization for its equity investments. For fixed income, it takes a short- to intermediate-term orientation.

As of Jan. 1, the asset mix was 67% in stocks, 12% bonds and 21% cash.

Clients include Cities Service Co., Communications Satellite Corp., EASCO Corp. and Johns Hopkins University Applied Physics Laboratory.

Charles G. King, senior vice president, is the chief investment officer; Derwood S. Chase Jr., president, is the client contact.

Chase Investors Management Corp.

1211 Avenue of the Americas, New York, N.Y. 10036; (212) 730-2967

Total assets mgd.	$12,500,000,000
Tax-exempt assets mgd:	
Total	$8,500,000,000
Fully discretionary	$8,500,000,000
Master trust assets	$50,000,000,000
Master custodian assets	$30,000,000,000
Real estate assets mgd	$900,000,000
International assets mgd	$305,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	105
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	30
Size of research staff	0

The investment management subsidiary of Chase Manhattan Corp., Chase Investors Management's equity approach seeks to identify opportunities through fundamental analysis and anticipation of change. For fixed income, changes are based on interest rate forecasts and sector analysis.

The amounts listed in master trust and custodial areas are handled by Chase Manhattan Bank.

The firm manages international assets, and has $305 million invested overseas. The firm also has real estate investment capabilities, and has $900 million invested in realty equity.

As of Jan. 1, the asset mix was 60% stocks, 25% bonds, 10% cash and 5% equity real estate.

Clients include American Motors, Armco, AT&T, General Foods and Ford Motor Co.

Stephen E. Canter, president, is the chief investment officer; Michael E. Fisher, senior vice president, is the client contact.

Chelsea Management Co.

523 W. Sixth St., Los Angeles, Calif. 90014; (213) 680-2690

Total assets mgd.	$220,000,000
Tax-exempt assets mgd:	
Total	$110,000,000
Fully discretionary	$65,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	42
Types of accounts mgd	CEFJ
No. of portfolio mgrs	4
Size of research staff	2

Chelsea considers itself an economic fundamentalist, sensitive to over- and under-market valuations. In the area of fixed income, it uses interest rate forecasts.

As of Jan. 1, the asset mix was 60% in stocks, 30% in fixed income and 10% cash.

Clients include Century National Insurance Co.

Frederick J. Ruopp, president, is the chief investment officer; John Tindall, vice president, is the client contact.

Chemical Bank

30 Rockefeller Plaza, New York, N.Y. 10112; (212) 621-2034

Total assets mgd.	$11,310,000,000
Tax-exempt assets mgd:	
Total	$7,984,000,000
Fully discretionary	$7,984,000,000
Real estate assets mgd	$10,000,000
International assets mgd	$44,000,000
Minimum separate account	na
Tax-exempt clients	192
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	15
Size of research staff	12

Chemical Bank is a subsidiary of Chemical New York Corp.

It uses sector rotation for its equity approach. For fixed income, it uses interest rate anticipation and forecasts across the yield curve.

As of Jan. 1, the asset mix was 60% stocks, 38% bonds and 2% cash.

Clients include the Bell System, Libbey-Owens Ford, American Cancer Society and National Automatic Sprinkler.

Kenneth S. Rolland, executive vice president, is the chief investment officer; Martin Weinstein is the client contact.

Chemical Mortgage Co.

101 E. Town St., Columbus, Ohio 43215; (614) 460-3000

Total assets mgd.	$4,075,000,000
Tax-exempt assets mgd:	
Total	$1,800,000,000
Fully discretionary	$1,800,000,000
Real estate assets mgd	$4,075,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	15
Types of accounts mgd	CG
No. of portfolio mgrs	25
Size of research staff	6

A subsidiary of Chemical New York Corp. and an affiliate of Chemical Bank, Chemical Mortgage Co. is a mortgage loan manager and mortgage banker.

As of Jan. 1, the asset mix was 90% in mortgages and 10% in equity real estate.

Clients include the state of New York, the Ohio State Teachers, Ohio School Employees, Aetna Insurance Co. and the Pittsburgh Pirates.

Gillis G. Pratt, president, is the chief investment officer; Robert Edler, vice president of business development, is the client contact.

Chesapeake Capital Management Inc.

36 S. Charles St., Baltimore, Md. 21201; (301) 837-6767

Total assets mgd.	$111,000,000
Tax-exempt assets mgd:	
Total	$100,000,000
Fully discretionary	$100,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	7
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	0

For its equity investments, Chesapeake Capital shifts its emphasis and makes significant commitments among industry groups. Individual issues are selected on the basis of high relative returns on equity and low relative price-to-book ratios.

As of Jan. 1, the asset mix was 89% stocks, 4% bonds and 7% cash.

Clients include National Rural Electric Cooperative Association Retirement Fund, The Maryland Institute and the J.C. Penney Foundation.

Michael Kourday, president, is the chief investment officer; William C. Foster, vice president, is the client contact.

The Chicago Corp.

208 S. LaSalle St., Chicago, Ill. 60603; (312) 855-5985

Total assets mgd.	$165,000,000
Tax-exempt assets mgd:	
Total	$135,000,000
Fully discretionary	$135,000,000
Minimum separate account	$250,000
Tax-exempt clients	36
Types of accounts mgd	CEFJ
No. of portfolio mgrs	4
Size of research staff	3

The Chicago Corp. looks for stocks with consistent, above-average growth in earnings. It changes its approach to long-term bonds from 0% to 100% in order to control risk when interest rates are rising and to capture opportunity when rates are declining.

As of Jan. 1, the asset mix was 52% in stocks, 24% bonds and 24% cash.

Clients include The Retirement Research Foundation, Graphic Arts InterLocal, A.E. Staley Manufacturing and the Ohio State University Endowment.

Jon Ender Sr., vice president, is the chief investment officer; Charles R. Klimkowski, vice president, is the client contact.

Chicago Title and Trust Co.

111 W. Washington St., Chicago, Ill. 60602; (312) 630-2000

Total assets mgd.	$1,380,000,000
Tax-exempt assets mgd:	
Total	$390,000,000
Fully discretionary	$390,000,000
Minimum separate account	$500,000
Tax-exempt clients	150
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	18

Chicago Title and Trust tries to identify undervalued companies with long-term growth potential. They are active managers of higher-grade securities and try to evaluate both portfolio and market conditions to achieve reasonably attractive rates of return while minimizing the variability of returns.

As of Jan. 1, the asset mix was 55% stocks, 35% bonds and 10% cash.

Clients include the American Bar Association, Graphic Arts International Union, Inter-local Pension Fund and the Service Employees Local #25.

A. Vincent Agnew, vice president, and Charles G. Rammelt, vice president, are the chief investment officers; William L. Calderwood, senior trust officer, is the client contact.

Citicorp: Citi-Investments and Citicorp Investment Management

1 Citicorp Center, New York, N.Y. 10043; (212) 559-9700

Total assets mgd.	$19,727,000,000
Tax-exempt assets mgd:	
Total	$12,217,000,000
Fully discretionary	$9,800,000,000
Master trust assets	$12,084,000,000
Master custodian assets	$13,912,000,000
Real estate assets mgd	$743,000,000
International assets mgd	$284,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	406
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	33
Size of research staff	34

Citicorp has a number of investment management subsidiaries.

Citi-Investments and Citicorp Investment Management both attempt to identify early on the changes that drive investment trends. They provide active management of asset, sector and industry allocation and of stock decisions, with a major emphasis on earnings and dividend momentum.

In fixed income, interest rate judgments are the basis for active maturity decisions at both firms; incremental return is added by the evaluation of price differentials between sectors and individual securities. The approach is achieved through a broad spectrum of specialized market disciplines defined by maturity ranges, quality ratings and specialized security types, including convertibles and high yielding emerging industrial growth company debt.

Of the total assets, Citicorp Investment Management manages $183 million, of which $163 million is tax exempt and $157 million is fully discretionary. Citicorp Investment's minimum separate account is $1 million. It has 27 tax-exempt clients and 5 portfolio managers. Real estate assets total; $6 million and international assets total $1 million.

Master trust and master custodian services are provided by Citibank.

Citicorp continued on 38

IF YOU WANT TO SEE PERFORMANCE, TURN TO BANK OF BOSTON.

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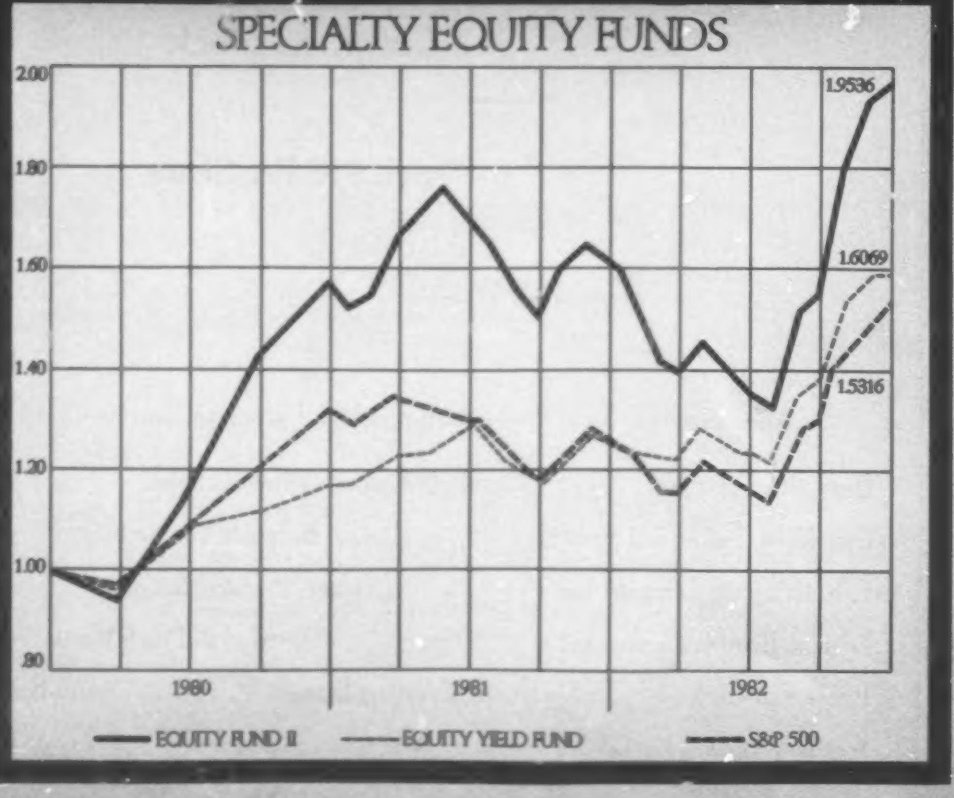
BANK OF BOSTON



Citicorp continued from page 37

As of Jan. 1, the asset mix was 48% stocks, 33% bonds, 11% cash, 4% equity real estate, 2% mortgages and 2% international.

Clients of Citi-Investments include Caterpillar Tractor, General Dynamics, Goodyear Tire & Rubber Co., Lockheed Corp. and Mobil Corp. Citicorp Investment clients include American Airlines, Army and Air Force Exchange Service, American Petrofina, Texas Steel and Sakowitz.

The chief investment officer of Citi-Investments and Citicorp Investment Management is Peter H. Vermilye, senior vice president. David W. Jennings, vice president and director of marketing, is the client contact for Citi-Investments. Client contacts for Citicorp Investment Management are Robert C. Davis, president, and John J. Graf, vice president.

Citizens Fidelity Bank & Trust Co.

Citizens Plaza, Louisville, Ky. 40296; (502) 581-2233

Total assets mgd.	$1,280,000,000
Tax-exempt assets mgd:	
Total	$267,000,000
Fully discretionary	$240,000,000
Master custodian assets	$65,000,000
Minimum separate account	0
Tax-exempt clients	215
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	5

Citizens Fidelity, a subsidiary of Citizens Fidelity Corp., uses fundamental analysis for its stock selections. It also uses cash flow analysis, Dupont Analysis and looks at relative expected rates of return. For fixed income, it likes to time larger, cyclical moves in interest rates by averaging into and out of the market.

As of Jan. 1, the asset mix was 48% in stocks, 44% in bonds and 8% cash.

Clients include Hillerich & Bradsby Co., Louisville Police, Western Kentucky Gas and Blue Cross/Blue Shield of Kentucky

Thomas A. Pardue, manager of the investment management department, is the chief investment officer; Lee J. Steiden, vice president and trust officer, is the client contact.

The Citizens Trust Co.

636 Wisconsin Ave., Sheboygan, Wis. 53081; (414) 459-2070

Total assets mgd.	$216,000,000
Tax-exempt assets mgd:	
Total	$57,000,000
Fully discretionary	$56,000,000
Real estate assets mgd	$6,000,000
Minimum separate account	na
Tax-exempt clients	180
Types of accounts mgd	CEFJ
No. of portfolio mgrs	3
Size of research staff	0

For its equity investments, the Citizens Trust Co. looks for small capitalization. For its fixed-income portfolio, it uses an aggressively managed market timing mix.

As of Jan. 1, the asset mix was 17% in stocks, 63% bonds, 4% cash, 3% real estate and 13% mortgages.

Clients include Donahue & Associates, Wisconsin Power & Light and National Box, a division of Georgia Pacific.

Louis T. Chambers, senior vice president, is the chief investment officer; David M. Kemp, vice president, is the client contact.

City Trust Services

1141 E. Jersey St., Elizabeth, N.J. 07201; (201) 527-1926

Total assets mgd.	$34,000,000
Tax-exempt assets mgd:	
Total	$29,000,000
Fully discretionary	$29,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	8
Types of accounts mgd	CJ
No. of portfolio mgrs	5
Size of research staff	0

An affiliate of City Federal Savings and Loan, City Trust Services uses five diverse external advisers, each of whom focuses on five stocks or less and actively uses cash.

As of Jan. 1, the asset mix was 76% in stocks and 24% in cash.

John E. Manley, president and chief executive officer, is the chief investment officer; John J. Wilson, vice president, is the client contact.

Cleveland Management Inc.

165 Cook St., Suite 201, Denver, Colo. 80206; (303) 329-0727

Total assets mgd.	$15,000,000
Tax-exempt assets mgd:	
Total	$1,000,000
Fully discretionary	$1,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	1

Cleveland Management reduces the risk of owning equities through option writing strategies.

As of Jan. 1, the asset mix was 100% stocks.

Clients include Click Lumber and Continental Alliance Corp.

Clement Cleveland, president, is the chief investment officer and the client contact.

Clutinger, Williams & Verhoye Inc.

Suite 902, Security Pacific Plaza Bldg., 1200 Third Ave., San Diego, Calif. 92101; (619) 231-2701

Total assets mgd.	$54,000,000
Tax-exempt assets mgd:	
Total	$[illegible],000,000
Fully discretionary	0
Minimum separate account	$2[illegible],000
Tax-exempt clients	32
Types of accounts mgd	CF
No. of portfolio mgrs	3
Size of research staff	0

Clutinger, Williams & Verhoye uses a macro approach to its equity investments, looking for companies that "solve problems." For bonds, it studies interest rate outlooks and buys bonds based on time, type and credit rating analysis.

As of Jan. 1, the asset mix was 65% in stocks, 29% bonds and 6% cash.

Clients include Grossmont Surgical Medical Group and Huntes Engineering Corp.

Responsibilities are equally shared by the officers, any of whom may be contacted by prospective clients.

Coldwell Banker

600 Third Ave., New York, N.Y. 10016; (212) 661-9490

Total assets mgd.	$730,000,000
Tax-exempt assets mgd:	
Total	$730,000,000
Fully discretionary	$650,000,000
Real estate assets mgd	$730,000,000
Minimum separate account	$15,000,000
Tax-exempt clients	32
Types of accounts mgd	CEFG
No. of portfolio mgrs	na
Size of research staff	na

Coldwell Banker is a real estate subsidiary of Sears, Roebuck and Co.

As of Jan. 1, the asset mix was 100% invested in equity real estate.

Clients include AT&T, ITT, Honeywell and the city of San Francisco.

Reid Samuelson, first vice president and manager, is chief investment officer; James G. Nugent, first vice president, is the client contact.

Cole, Yeager & Wood Inc.

630 Fifth Ave., New York, N.Y. 10111; (212) 765-5350

Total assets mgd.	$730,000,000
Tax-exempt assets mgd:	
Total	$550,000,000
Fully discretionary	$550,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	13
Types of accounts mgd	CEF
No. of portfolio mgrs	5
Size of research staff	0

Cole, Yeager & Wood is an equity specialist. The firm buys companies with both large and small capitalizations with dominant positions in growth markets.

As of Jan. 1, the asset mix was 95% in equities and 5% in cash.

Clients include American Can, Cincinnati Bell, Corning Glass Works and IBM Corp.

B. Robert Wood, executive vice president, is the chief investment officer; George M. Yeager, president, is the client contact.

Columbia Management Co.

621 S.W. Morrison St., Portland, Ore. 97205; (503) 222-3600

Total assets mgd.	$2,356,000,000
Tax-exempt assets mgd:	
Total	$2,281,000,000
Fully discretionary	$1,550,000,000
Minimum separate account	na
Tax-exempt clients	56
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	7

Columbia Management's equity approach is to monitor the relationship between historical value, the existing environment and performance of selected conceptual stock groups in determining portfolio allocations. For bonds, it uses active management to maximize total return with minimum price volatility and credit risk.

The firm also has a subsidiary trust company, Columbia Trust Co., with $78 million under management, all of it tax-exempt.

As of Jan. 1, the asset mix of Columbia Management was 64% in stocks, 31% in bonds and 5% cash. The asset mix of Columbia Trust was 52% stocks, 37% bonds and 11% cash.

James F. Rippey, president, is the chief investment officer; Peter C. Kirkman, vice president, is the client contact.

Comerica Bank-Detroit

211 W. Fort St., Detroit, Mich. 48232; (313) 222-5262

Total assets mgd.	$3,600,000,000
Tax-exempt assets mgd:	
Total	$1,400,000,000
Fully discretionary	$1,000,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	900
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	26
Size of research staff	15

Comerica Bank uses a diversified equity portfolio of companies with above-average growth but with market price-earnings ratios. It uses several bond strategies simultaneously with the emphasis on each strategy changing as conditions change.

As of Jan. 1, the asset mix was 50% in stocks, 40% bonds and 10% cash.

Clients include Blue Cross/Blue Shield of Michigan, the City of Detroit Retirement System, Detroit Edison and InterNorth Inc.

Manown Kisor Jr., executive vice president is the chief investment officer; Robert Kay is the client contact.

Commerce Bank of Kansas City

P.O. Box 248, Kansas City, Mo. 64141; (816) 234-2000

Total assets mgd.	$654,000,000
Tax-exempt assets mgd:	
Total	$185,000,000
Fully discretionary	$185,000,000
Master trust assets	$96,000,000
Real estate assets mgd	$19,000,000
Minimum separate account	0
Tax-exempt clients	379
Types of accounts mgd	CEFJ
No. of portfolio mgrs	8
Size of research staff	4

A subsidiary of Commerce Bancshares, Commerce Bank of Kansas City's equity approach uses market timing in moving its funds. For fixed-income investments, it uses interest rate anticipation and spread analysis.

As of Jan. 1, the asset mix was 40% in equities, 40% in bonds and 20% in cash.

Commerce continued on 39

This advertisement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offering is made only by the Prospectus.

March 24, 1983

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Wertheim & Co., Inc.
Dean Witter Reynolds Inc.

Commerce continued from 38

George H. Wood, chief financial officer, is the chief investment officer, and Joseph A. Burkart II, vice president, is the client contact.

Commerce Investment Management Inc.

1052 NBC Center, Lincoln, Neb.
68508; (402) 474-1394

Total assets mgd.	0
Tax-exempt assets mgd:	
Total	0
Fully discretionary	0
Minimum separate account	$100,000
Tax-exempt clients	0
Types of accounts mgd	CEFG
No. of portfolio mgrs	3
Size of research staff	0

Commerce Investment Management is a newly formed affiliate of the Commerce Cos. that is a real estate, oil and gas and security management firm. Commerce Investment takes a top-down approach to investments. For equities, it uses a value approach with focus on medium-size companies with high return on equity, expanding cash flow, small debt and reasonable price-earnings ratio to growth. Fixed-income securities are used to protect against market risk or for income generation.

The firm was started Feb. 1, 1983, and has no tax-exempt clients and no asset mix.

Dwaine W. Rogge, Gray L. Wahlgren, and Gaylan C. Abood are directors. Mr Abood is president and client contact.

Commerce Union Bank

One Commerce Place, Nashville,
Tenn. 37219; (615) 749-3628

Total assets mgd.	$624,000,000
Tax-exempt assets mgd:	
Total	$336,000,000
Fully discretionary	$336,000,000
Master custodian assets	$37,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	83
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	na

Commerce Union Bank says it is primarily a fixed income manager, using interest rate anticipation for its fixed-income approach. It also uses options.

As of Jan. 1, the asset mix was 24% stocks, 51% bonds, 19% cash, 2% equity real estate and 4% mortgages.

Clients include Joy Manufacturing Co., The Paper Industry Union Management Pension Fund and Genesco.

J. Blaine Reeve Jr., senior vice president, is the chief investment officer; John E. McDowell, vice president, is the client contact.

The Connecticut Bank & Trust Co.

One Constitution Plaza, Hartford,
Conn. 06115; (203) 244-5030

Total assets mgd.	$3,370,000,000
Tax-exempt assets mgd:	
Total	$1,370,000,000
Fully discretionary	$1,370,000,000
Master trust assets	$238,000,000
Master custodian assets	$87,000,000
Real estate assets mgd	$1,000,000
Minimum separate account	$500,000
Tax-exempt clients	250
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	8

A subsidiary of CBT Corp., Connecticut Bank & Trust's equity approach emphasizes its strong research effort, sector weighting and analysis. It is an active bond manager; immunization and dedication techniques are used. It controls risk on maturity, weightings and cash positions.

As of Jan. 1, the asset mix was 60% in equities, 30% in bonds and 10% cash.

Clients include the state of Connecticut, Northeast Utilities, United Technologies Corp., Allis-Chalmers Corp. and Nationale-Nederlanden B.V.

Neil Kelleher, senior vice president, is the chief investment officer; Steven O'Connell is the client contact.

Connecticut Mutual Life Insurance Co.

140 Garden St., Hartford, Conn.
06115; (203) 727-6500

Total assets mgd.	$6,000,000,000
Tax-exempt assets mgd:	
Total	$613,000,000
Fully discretionary	$613,000,000
Real estate assets mgd	$25,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	3,000
Types of accounts mgd	CGJ
No. of portfolio mgrs	3
Size of research staff	4

Connecticut Mutual Life's equity approach groups stocks into nine economic and market opportunity/risk categories; it combines top-down analysis with the establishment of portfolio ranges for those categories, with portfolio manager authority in buy and sell decisions.

The company's fixed-income strategy combines interest rate anticipation analysis with sector analysis.

As of Jan. 1, the asset mix was 6% stocks, 39% equity real estate and 55% money market funds.

Clients include Inland Steel, Heublein, Interlake, Ford Motor and Anheuser-Busch.

Robert E. Stevens, executive vice president, is the chief investment officer; Norman F. Hausmann, assistant vice president, is the client contact.

Connecticut National Bank

777 Main St., Hartford, Conn. 06115;
(203) 728-2000

Total assets mgd.	$4,187,000,000
Tax-exempt assets mgd:	
Total	$2,149,000,000
Fully discretionary	$2,149,000,000
Master trust assets	$2,063,000
Master custodian assets	$30,000,000
Minimum separate account	$250,000
Tax-exempt clients	1,500
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	20
Size of research staff	9

A subsidiary of Hartford National Corp., Connecticut National Bank uses fundamental analysis based on relative values for its equity investments. It is a traditional bond strategist.

As of Jan. 1, the asset mix was 48% equities, 30% bonds, 21% cash and 1% convertibles.

Clients include the state of Connecticut, Northeast Utilities, Kaman Corp. and Trinity College.

Frank L. Stanley, senior vice president, is the chief investment officer; Stuart I. Repp, senior vice president, is the client contact.

Consensus of Insiders Inc.

1749-C N.E. 26th St., Fort
Lauderdale, Fla. 33305; (305)
563-6827

Total assets mgd.	$77,000,000
Tax-exempt assets mgd:	
Total	$76,000,000
Fully discretionary	$76,000,000
Minimum separate account	$200,000
Tax-exempt clients	25
Types of accounts mgd	CJ
No. of portfolio mgrs	3
Size of research staff	7

For Consensus of Insiders, market timing determines its involvement in equities. Stocks are selected on the basis of insider activity as reported to the Securities and Exchange Commission. The firm specializes in medical technology stocks: It anticipates bond rating changes by monitoring insider activity in common stocks.

As of Jan. 1, the asset mix was 13% in stocks, 15% in bonds and 72% in cash.

Clients include the American Radio Association, Seafarers International Union and Masters, Mates and Pilots.

Larry V. Unterbrink, president, is the chief investment officer and client contact.

Continental Assurance Co.

CNA Plaza, Chicago, Ill. 60685; (312)
822-5944

Total assets mgd.	$3,195,000,000
Tax-exempt assets mgd:	
Total	$1,765,000,000
Fully discretionary	$1,765,000,000
Real estate assets mgd	$80,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	2,200
Types of accounts mgd	CEGJ
No. of portfolio mgrs	4
Size of research staff	6

A subsidiary of CNA Insurance Co., Continental Assurance looks for long-term growth in its equity investments, emphasizing security of principal. It buys and holds bonds while immunizing a portion of the portfolio.

As of Jan. 1, the asset mix was 95% in bonds and 5% in equities.

Continental continued on 40

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Continental continued from 39

Clients include American Airlines, General Mills, Ford Motor Co. and the Screen Actors Guild Producers.

Donald Rycroft, vice president, is the chief investment officer; Martin J. Gavin, manager, is the client contact.

Continental Bank

1500 Market St. Philadelphia, Pa.
19102; (215) 564-7386

Total assets mgd.	$486,000,000
Tax-exempt assets mgd:	
Total	$243,000,000
Fully discretionary	$185,000,000
Master trust assets	$90,000,000
Minimum separate account	$500,000
Tax-exempt clients	330
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	0

Continental's equity approach is to look for current earnings momentum for both company and industry, a strong balance sheet and a leadership position in a firm's respective industry. For fixed income, it rides the yield curve with a high concentration in Treasury and agency issues for marketability and quality.

As of Jan. 1, the asset mix was 25% in equities, 30% in bonds, 24% cash, 1% mortgages and 20% in GICs.

C. Warren Ormerod, senior vice president, is the chief investment officer; Isabelle Day Murray, director, employee benefits marketing, is the client contact.

Continental Illinois National Bank & Trust Co. of Chicago

30 N. LaSalle St., Chicago, Ill. 60693;
(312) 828-7007

Total assets mgd	$12,456,000,000
Tax-exempt assets mgd:	
Total	$4,913,000,000
Fully discretionary	$3,873,000,000
Master trust assets	$7,046,000,000
Real estate assets mgd	$222,000,000
International assets mgd	$200,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	708
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	11

A subsidiary of Continental Illinois Corp., Continental Illinois National Bank follows a balanced approach to active bond management. Its strategies emphasize rate anticipation, credit analysis, sector analysis, or arbitrage, depending on market conditions and client objectives. It also runs specialty equity accounts.

As of Jan. 1, the asset mix was 31% stocks, 46% bonds, 20% cash, 1% equity real estate, 1% mortgages and 1% GICs and passbook accounts.

Richard W. Foss, senior vice president, is chief investment officer; Anthony P. Wilson, vice president, is the client contact.

Continental Investment Advisors

6600 West Broad St., P.O. Box
27424, Richmond, Va. 23261; (804)
281-6647

Total assets mgd	$1,974,000,000
Tax-exempt assets mgd:	
Total	$516,000,000
Fully discretionary	$516,000,000
Real estate assets mgd	$148,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	186
Types of accounts mgd	C
No. of portfolio mgrs	11
Size of research staff	0

Continental Investment Advisors, a subsidiary of the Continental Group, looks for stocks that offer good relative values vs. the market. For fixed income, it purchases sinking fund bonds at attractive prices with the objective of selling the bonds back to the issuing company to satisfy the sinking fund requirements.

As of Jan. 1, the asset mix was 25% in stocks, 42% in bonds, 4% cash, 1% equity real estate and 28% mortgages.

Clients include The Life Insurance Co. of Virginia, Lawyers Title Insurance Co., Western Employers Insurance Co. and the Continental Group Pension Fund.

Bruce R. King Jr., chairman of the investment policy committee, is the chief investment officer; Robert P. Martin Jr., manager, is the client contact.

Convest Portfolio Consultants Inc.

80 Wall St., New York, N.Y. 10005;
(212) 422-5186

Total assets mgd.	$5,000,000
tax-exempt assets mgd:	
Total	$1,000,000
Fully discretionary	$1,000,000
Minimum separate account	$100,000
Tax-exempt clients	12
Types of accounts mgd	CFJ
No. of portfolio mgrs	2
Size of research staff	2

Convest Portfolio Consultants uses growth stocks and market timing in its equity strategies. For fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 40% in stocks, 50% bonds and 10% cash.

Leonard F. Cutugno, president, is the chief investment officer and client contact.

Copley Real Estate Advisors

535 Boylston St., Boston, Mass.
02116; (617) 578-4900

Total assets mgd.	$1,900,000,000
Tax-exempt assets mgd:	
Total	$760,000,000
Fully discretionary	$760,000,000
Real estate assets mgd	$760,000,000
Minimum separate account	$15,000,000
Tax-exempt clients	na
Types of accounts mgd	C
No. of portfolio mgrs	na
Size of research staff	na

Copley Real Estate Advisors is a real estate investment subsidiary of the New England Mutual Life Insurance Co.

As of Jan. 1, the asset mix was 100% in equity real estate.

Joseph W. O'Connor, president, is the chief investment officer; Kevin M. Mahony, vice president, is the client contact.

Corbyn Associates Inc.

Suite 330, Quadrangle Village of
Cross Keys, Baltimore, Md. 21210;
(301) 532-8600

Total assets mgd.	$80,000,000
Tax-exempt assets mgd.	
Total	$48,000,000
Fully discretionary	$48,000,000
Minimum separate account	$100,000
Tax-exempt clients	150
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	3

Corbyn's equity investment philosophy emphasizes modified contrary opinion. The firm seeks "basic value plus a catalyst for change." Its fixed-income management approach stresses intermediate term, high quality bonds with an emphasis on trading interest rate trends.

As of Jan. 1, the asset mix was 60% in stocks, 20% in bonds and 20% in cash.

Daniel R. Long III, president and chairman of the board, is the chief investment officer; Richard Hynson Jr., vice president, is the client contact.

Corporate Property Investors

230 Park Ave., New York, N.Y. 10169;
(212) 725-2150

Total assets mgd.	$1,257,000,000
Tax-exempt assets mgd:	
Total	$1,257,000,000
Fully discretionary	$1,257,000,000
Real estate assets mgd	$1,257,000,000
Minimum separate account	na
Tax-exempt clients	60
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	3
Size of research staff	6

Corporate Property Investors, a real estate manager, invests in high grade income producing commercial property.

As of Jan. 1, the asset mix was 72% equity real estate and 28% mortgages.

Clients include Exxon Pension, U.S. Steel Pension, GE Pension and American Telephone Pension.

Jeremiah W. O'Connor, executive vice president, is the chief investment officer; Warren Hamer is the client contact.

County Bank of St. Louis

8000 Forsyth St., St. Louis, Mo.
63105; (314) 726-2255

Total assets mgd	$275,000,000
Tax-exempt assets mgd:	
Total	$95,000,000
Fully discretionary	$90,000,000
Minimum separate account	$500,000
Tax-exempt clients	130
Types of accounts mgd	CFGJ
No. of portfolio mgrs	3
Size of research staff	0

A subsidiary of County Tower Corp., County Bank's equity strategy prefers growth companies and uses market timing and some Graham & Dodd with equities. They are active bond managers.

As of Jan. 1, the asset mix was 40% stocks, 50% bonds and 10% cash.

Clients include Garvey Foundation, Carr Lane Manufacturing Co., Wallace Pencil Co. and the city of Clayton, Mo.

Carl C. Enloe, vice president and manager of the investment department, is the chief investment officer; Richard E. Drummond, vice president and marketing manager, is the client contact.

Cramblit & Carney Inc.

523 W. Sixth St., Suite 723, Los
Angeles, Calif. 90014; (213)
680-0562

Total assets mgd.	$215,000,000
Tax-exempt assets mgd:	
Total	$215,000,000
Fully discretionary	$215,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	21
Types of accounts mgd	CEFJ
No. of portfolio mgrs	3
Size of research staff	0

Cramblit and Carney focuses its equity approach on growth and low price-earnings stocks. In fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 45% stocks, 40% bonds and 15% cash.

Richard P. Carney, president, is the chief investment officer; Barry T. Seymour, vice president, is the client contact.

Crocker Investment Management Corp.

44 Montgomery St., Suite 2100, San
Francisco, Calif. 94104; (415)
477-6075

Total assets mgd.	$3,000,000,000
Tax-exempt assets mgd:	
Total	$3,000,000,000
Fully discretionary	$2,000,000,000
Real estate assets mgd	$215,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	48
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	9

Owned by Crocker National Corp., Crocker Investment Management changes its equity portfolio structure in anticipation of changing economic conditions to participate in the most dynamic growth sectors.

Bond investments are keyed to interest rate forecasts and an analysis of yield spreads among sectors of the market.

As of Jan. 1, the asset mix was 50% in stocks, 40% in bonds and 10% cash.

Clients include Standard Oil of Calif., ALCOA, AT&T and Weyerhaeuser.

Kennard Woodworth Jr., president, is the chief investment officer.

Arthur R. Johnson, vice president of marketing-San Francisco and John B. Reynolds, vice president of marketing-Los Angeles, are the client contacts.

Crocker National Bank

333 S. Grand Ave., Los Angeles,
Calif. 90071; (213) 253-3212

Total assets mgd.	$5,700,000,000
Tax-exempt assets mgd:	
Total	$3,000,000,000
Fully discretionary	$3,000,000,000
Master trust assets	$7,500,000,000
Real estate assets mgd	$194,000,000
International assets mgd	$12,000,000
Minimum separate account	$500,000
Tax-exempt clients	1,950
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	31
Size of research staff	15

Crocker National Bank is a balanced manager.

As of Jan. 1, the asset mix was 61% stocks, 18% cash, 8% bonds, 4% equity real estate, 2% mortgages and 7% other.

Kennard Woodworth Jr., president of Crocker Investment Management, is the chief investment officer; Stephen McDonald, senior vice president, is the client contact.

Crocker Real Estate Investment Group

44 Montgomery St., Suite 2110, San
Francisco, Calif. 94104; (415)
477-7162

Total assets mgd.	$156,000,000
Tax-exempt assets mgd:	
Total	$139,000,000
Fully discretionary	$87,000,000
Real estate assets mgd	$156,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	225
Types of accounts mgd	CG
No. of portfolio mgrs	na
Size of research staff	na

Crocker Real Estate Investment Group is a subsidiary of Crocker National Bank and deals only with equity real estate.

Clients include Contra Costa County, Earle M. Jorgenson, Eastern Air Lines and Northwest Permanente.

J. Arthur deBoer, senior vice president, is the chief investment officer; John H. Dracott, vice president, is the client contact.

Cumberland Advisors

716 Wood St., P.O. Box 663,
Vineland, N.J. 08360; (609)
692-6690

Total assets mgd.	$30,000,000
Tax-exempt assets mgd:	
Total	$20,000,000
Fully discretionary	$20,000,000
Minimum separate account	$100,000
Tax-exempt clients	30
Types of accounts mgd	CEFJ
No. of portfolio mgrs	2
Size of research staff	1

Cumberland Advisors uses fundamental analysis in implementing its equity investment strategy. Industry group and corporate earnings cycles are analyzed in the process of selecting specific securities. Bonds are positioned to meet actuarial requirements and minimize the cost to the plan. Timing decisions are derived from in-house monetarist techniques.

As of Jan. 1, the asset mix was 69% in stocks, 20% bonds and 11% cash.

Clients include Charming Shoppes Inc., Kirschner Brothers Oil, Herman's Inc. and Alperin Inc.

Sheldon E. Goldberg, general partner, is the chief investment officer; David R. Kotok, general partner, is the client contact.

Martin Currie Inc.

29 Charlotte Square, Edinburgh,
Scotland EH2 4HA;
011-44-31-225-3811

Total assets mgd.	$750,000,000
Tax-exempt assets mgd:	
Total	$46,000,000
Fully discretionary	$46,000,000
International assets mgd	$46,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	4
Types of accounts mgd	C
No. of portfolio mgrs	7
Size of research staff	3

Martin Currie Inc., a subsidiary of Martin Currie & Co., is an international investment adviser. For equity investments, the firm uses market timing in the purchase of growth stocks.

For fixed income, securities are held in anticipation of major interest rate drops as a temporary alternative to equities.

As of Jan. 1, the asset mix was 89% stocks and 11% cash.

Clients include Continental Telecom, Monsanto, Union Oil of California and Wheelabrator-Frye Inc..

D.L. Skinner, vice president, and W.M.C. Kennedy, vice president, are the chief investment officers; Mr. Skinner is the client contact.

Cutler & Co. Inc.

4400 MacArthur Blvd., Suite 790,
Newport Beach, Calif. 92660; (714)
851-0640

Total assets mgd.	$75,000,000
Tax-exempt assets mgd:	
Total	$75,000,000
Fully discretionary	$75,000,000
Minimum separate account	$100,000
Tax-exempt clients	122
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	6

Cutler remains almost exclusively invested in equities and is income-oriented. It trades holdings when comparisons indicate income can be improved or to protect quality levels. The company has a "trust list," a computerized system for screening financial and market data on the largest U.S. equities.

As of Jan. 1, the asset mix was 99% in stocks and 1% in bonds.

Clients include American Humanics, Intercommunity Hospital, Owl Construction and Valley Presbyterian Hospital.

Geoffrey W. Cutler, president, is the chief investment officer; George Phelps and Mark Patten, senior vice presidents, are the client contact.

d

D.A. Management Consultants

16541 Gothard St., Suite 202,
Huntington Beach, Calif. 92647;
(714) 842-0162

Total assets mgd.	$50,000,000
Tax-exempt assets mgd:	
Total	$10,000,000
Fully discretionary	0
Real estate assets mgd	$50,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	1
Types of accounts mgd	G
No. of portfolio mgrs	2
Size of research staff	na

D.A. Management Consultants is a real estate manager.

As of Jan. 1, the asset mix was 100% mortgages.

Clients include Orange County Employees Retirement System.

Daniel M. Ardell, president, is the chief investment officer and the client contact.

D.J. Investment Advisors

Benjamin Fox Pavilion, Jenkintown,
Pa. 19046; (215) 887-6946

Total assets mgd.	$27,000,000
Tax-exempt assets mgd:	
Total	$10,000,000
Fully discretionary	$10,000,000
Minimum separate account	$250,000
Tax-exempt clients	22
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	1

D.J. Investment Advisors uses equity hedging extensively and a low price-earnings approach. The firm looks for special situations and examines the relative risk and reward expected from all available investments.

As of Jan. 1, the asset mix was 50% stocks, 25% bonds and 25% cash.

David A. Schwerin, president, is the chief investment officer and the client contact.

Daiwa International Capital Management Corp.

One Liberty Plaza, New York N.Y.
10006; (212) 732-6600

Total assets mgd.	$2,368,000,000
Tax-exempt assets mgd:	
Total	$75,000,000
Fully discretionary	$65,000,000
International assets mgd	$70,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	4
Types of accounts mgd	CG
No. of portfolio mgrs	16
Size of research staff	8

Daiwa International Capital Management Corp. focuses on a company's growth potential and relative value of its stock price. It invests mainly in Far East markets. It is an equity-oriented international manager for North American tax-exempt clients.

As of Jan. 1, the asset mix was 90% stocks, 7% cash and 3% bonds.

Clients include General Motors, United Technologies and the state of Hawaii.

Shintaro Sakata, president, is the chief investment officer; Takaaki Yoda, vice president, is the client contact.

Dawes Investment Service

10929 Linden St., Tequesta, Fla.
33458; (305) 747-0896

Total assets mgd.	$22,000,000
Tax-exempt assets mgd:	
Total	$16,000,000
Fully discretionary	$12,000,000
Minimum separate account	10
Tax-exempt clients	6

Dawes continued on page 41

Dawes profile continued from 40

Types of accounts mgd	CF
No. of portfolio mgrs	[illegible]
Size of research staff	0

Dawes Investment Service uses value-oriented and low price-earnings approaches for equity investment. The firm uses a computer to screen out undervalued and overvalued companies based on a study of the 100-year averages of the stock market.

As of Jan. 1, the asset mix was 98% stocks and 2% cash.

Clients include Tequesta Agency, Park National Bank Trust Department and The Dawes Arboretum.

Richard C. Sunshine, president, is the chief investment officer and client contact.

Dearden, Maguire & Weaver Inc.

Suite 1702, Two Penn Center Plaza,
Philadelphia, Pa. 19102; (215) 972-0888

Total assets mgd.	$320,000,000
Tax-exempt assets mgd:	
Total	$150,000,000
Fully discretionary	$120,000,000
Minimum separate account	$500,000
Tax-exempt clients	32
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	1

Dearden, Maguire & Weaver Inc. is quality oriented in equities, with its investing based on economic outlook and relative valuation analysis.

The firm's fixed-income investments are confined to securities of a minimum quality with maturities of seven years or less.

As of Jan. 1, the asset mix was 55% bonds, 40% stocks and 5% cash.

James M. Weaver, treasurer and Alexander A. Maguire, secretary, are chief investment officers; Edward C. Dearden, president, is client contact.

DeJarnette Investment Advisors

12 Spires Drive, Dayton, Ohio 45419;
(513) 294-7625

Total assets mgd.	$7,000,000
Tax-exempt assets mgd:	
Total	$1,000,000
Fully discretionary	$1,000,000
Minimum separate account	$100,000
Tax-exempt clients	5
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	1

DeJarnette Investment Advisors's equity strategy focuses on industry selection through fundamental analysis. The firm uses sector rotation and market timing in its equities strategy.

The firm's fixed-income approach is passive. It uses options and stock index futures.

As of Jan. 1, the asset mix was 61% stocks, 23% bonds and 16% cash.

Clients include Agora Securities and Beaty Construction.

J.H. DeJarnette, president, is chief investment officer and contact.

Delafield Asset Management Inc.

63 Wall St., New York, N.Y. 10005;
(212) 269-0660

Total assets mgd.	$190,000,000
Tax-exempt assets mgd:	
Total	$150,000,000
Fully discretionary	$150,000,000
Minimum separate account	$500,000
Tax-exempt clients	14
Types of accounts mgd	CF
No. of portfolio mgrs	1
Size of research staff	2

Delafield Asset Management uses low price-earnings and the Graham & Dodd approach for equities. The firm's fixed-income emphasis is on preservation of capital through investment in undervalued securities and special situations.

As of Jan. 1, the asset mix was 60% stocks, 24% cash and 16% bonds.

Clients include Safeway Stores Inc., General Host and Pacific Southwest Airlines and Interstate Brands Corp.

J. Dennis Delafield, president, is chief investment officer and contact.

Delaware Investment Advisers Inc.

Two Penn Center Plaza, Philadelphia,
Pa. 19103; (215) 568-5880

Total assets mgd.	$4,256,000,000
Tax-exempt assets mgd:	
Total	$4,256,000,000
Fully discretionary	$4,256,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	130
Types of accounts mgd	CEFG
No. of portfolio mgrs	12
Size of research staff	na

Delaware Management Co. is the parent company.

For its equity strategy, Delaware Investment Advisers invests in high-yielding stocks based on the belief that through time, a substantial portion of the total return comes from dividends.

For fixed income, the firm focuses on lower quality, special situation and high-yield issues that might be combined with short-term high quality issues.

As of Jan. 1, the company's asset mix was 70% stocks, 25% bonds and 5% cash.

John H. Durham, president of Delaware Investment Advisers, is the chief investment officer.

James T. Blair, senior vice president, serves as the client contact.

Delfi Management Inc.

3801 Kennett Pike, Wilmington, Del.
19807; (302) 652-3091

Total assets mgd.	$218,000,000
Tax-exempt assets mgd:	
Total	$12,000,000
Fully discretionary	$12,000,000
Minimum separate account	$500,000
Tax-exempt clients	7
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	5

Delfi Management pursues a bottom-up equity investment approach focusing on low price-earnings, emerging growth and Graham & Dodd techniques.

The firm's fixed-income approach is passive.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include Morningside College Endowment Fund, Freemont Co. Pension Fund and Garrett Williamson Foundation.

Richard V. King, president, is the chief investment officer; Francis D. Keen is the client contact.

Delta Financial Management Corp.

504 Main St., Medfield, Mass. 02052;
(617) 359-6231

Total assets mgd.	$10,000,000
Tax-exempt assets mgd:	
Total	$6,000,000
Fully discretionary	$6,000,000
Minimum separate account	$300,000
Tax-exempt clients	5
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	1

Delta Financial Management uses sector rotation and a contrary approach for equity investments. Stock selection is based on relative price and earnings momentum analyses. Undervalued and overvalued investments are identified by quantitative techniques.

For fixed income, the firm uses relative price analysis. Bonds are classified according to maturity.

As of Jan. 1, the asset mix was 80% stocks, 10% bonds and 10% cash.

G. Edward Noonan Jr. is the chief investment officer; Frank J. Weldon Jr. is the client contact.

DiBartolomeo & Co.

150 E. 35th St., New York, N.Y.
10016; (212) 685-4145

Total assets mgd.	$3,000,000
Tax-exempt assets mgd:	
Total	$1,000,000
Fully discretionary	$1,000,000
International assets mgd	$1,000,000
Minimum separate account	$250,000
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	3

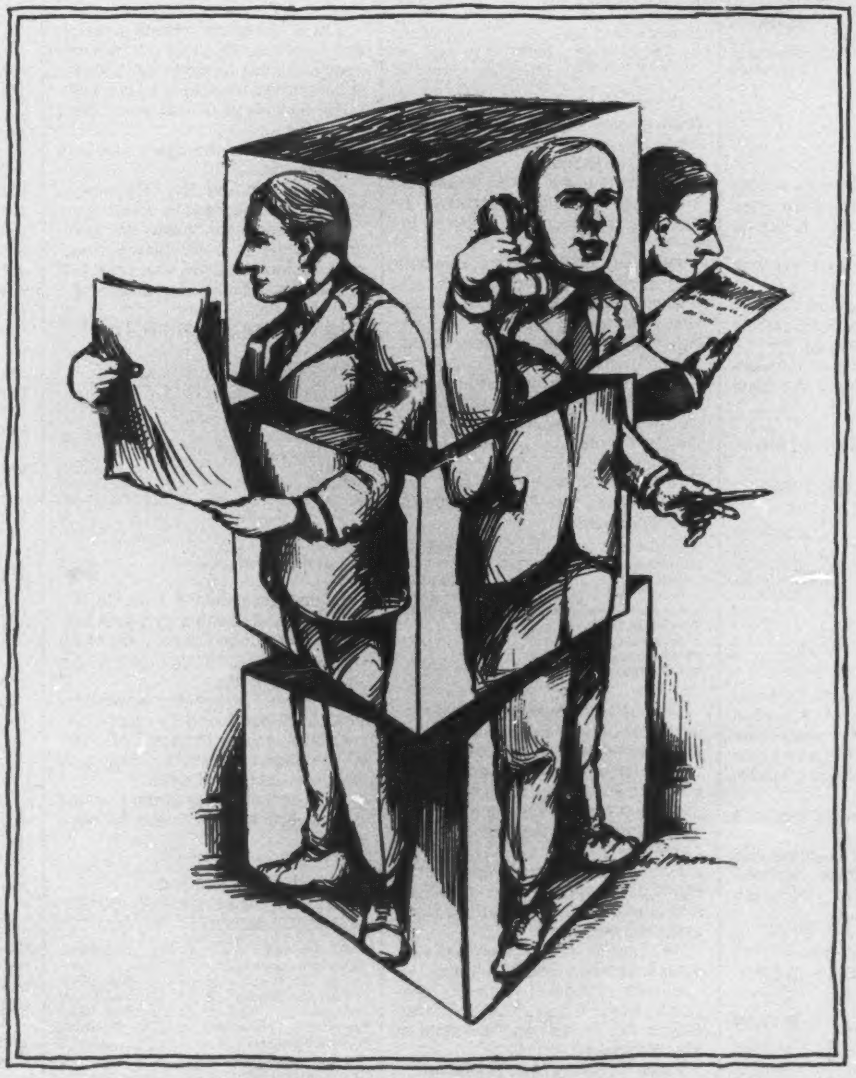
DiBartolomeo & Co.'s equity approach is to concentrate on basic value in individual securities while controlling general market risk with futures and options activity.

The firm's fixed-income approach is involved in low-grade bonds augmented with futures and options. The firm desires an active role in market fluctuations.

As of Jan. 1, the asset mix was 50% bonds, 40% stocks, 5% cash and 5% options and futures.

DiBartolomeo continued on page 42

Flexibility.



The complexities of your employees' benefit plans are unique to your firm. As a master trustee, the Harris Bank delivers a custom program, tailored to your company's needs for today and tomorrow.

HARRIS MASTER TRUST SERVICES

HARRIS BANK.

Harris Trust and Savings Bank, 111 W. Monroe St., Chicago, Ill. 60603. Member F.D.I.C., Federal Reserve System.

DiBartolomeo continued from 42

Daniel DiBartolomeo, president, is the chief investment officer and the client contact.

Dillon, Read Capital Inc.

48 Wall St., New York, N.Y. 10005;
(212) 285-5560

Total assets mgd.	$411,000,000
Tax-exempt assets mgd:	
Total	$411,000,000
Fully discretionary	$384,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	3
Types of accounts mgd	CG
No. of portfolio mgrs	3
Size of research staff	0

Dillon, Read Capital seeks stocks of quality companies out of favor with investors. Cash is raised when the overall market outlook is considered unfavorable. The firm's fixed-income approach stresses flexibility and interest rate anticipation.

As of Jan. 1, the asset mix was 75% stocks, 17% cash and 8% bonds.

Clients include AMF Inc., Illinois Municipal Retirement Fund and Frank Russell Trust Co.

Timothy G. Dalton Jr., president, is the chief investment officer; David A. Dewey, executive vice president, is the client contact.

Dimensional Fund Advisors Inc.

310 S. Michigan, Chicago Ill. 60604;
(312) 663-4350

Total assets mgd.	$290,000,000
Tax-exempt assets mgd:	
Total	$290,000,000
Fully discretionary	$290,000,000
Minimum separate account	na
Tax-exempt clients	36
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	1
Size of research staff	4

Dimensional Fund Advisors invests in a portfolio of highly diversified small-capitalization stocks. It has no investment in bonds.

As of Jan. 1, the asset mix was 100% stocks.

Clients include McDonnell Douglas Corp., Deere & Co., Outboard Marine Corp. and Harza Engineering.

Rex Sinquefield, is the chief investment officer; Larry Klotz is the client contact.

Discount Corporation of New York Advisers

58 Pine St., New York, N.Y. 10005;
(212) 248-8969

Total assets mgd.	$750,000,000
Tax-exempt assets mgd:	
Total	$600,000,000
Fully discretionary	$600,000,000
Minimum separate account	$50,000,000
Tax-exempt clients	4
Types of accounts mgd	CFJ
No. of portfolio mgrs	6
Size of research staff	6

A subsidiary of Discount Corporation of New York, the firm is a bond specialist, using active management and emphasizing capital preservation and liquidity while minimizing market risk.

As of Jan. 1, the asset mix was 100% bonds.

Patricia W. deBlank, executive vice president, is the chief investment officer; William J. Callahan, vice president, is the client contact.

Walter M. Dixon Jr. Inc.

P.O. Box 2768, Roanoke Va. 24001;
(703) 343-9903

Total assets mgd.	$30,000,000
Tax-exempt assets mgd:	
Total	$9,000,000
Fully discretionary	$9,000,000
Minimum separate account	$400,000
Tax-exempt clients	10
Types of accounts mgd	CEJ
No. of portfolio mgrs	1
Size of research staff	0

Walter M. Dixon Jr. Inc. uses market timing and sector rotation for equities.

The firm's fixed-income approach is passive with portfolios maintained in issues maturing within 10 years.

As of Jan. 1, the asset mix was 70% stocks and 30% cash.

Clients include Rice Bottling Co., Jefferson Surgical Clinic and Ferrum College.

Walter M. Dixon Jr., president, is the chief investment officer and the client contact.

Dodge & Cox Inc.

One Post St., 35th Floor, San
Francisco, Calif. 94104; (415)
981-1710

Total assets mgd.	$2,000,000,000
Tax-exempt assets mgd:	
Total	$1,575,000,000
Fully discretionary	$1,500,000,000
Real estate assets mgd	$15,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	71
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	8

Dodge & Cox Inc. uses a fundamental value approach to stock investing and is willing to invest in sound companies in out-of-favor areas. The firm focuses on interest rate anticipation and sector analysis for fixed income.

As of Jan. 1, the asset mix was 69% stocks, 26% bonds and 5% cash.

Clients include AT&T, Kaiser Aluminum, Shell Oil and Time Inc.

Joseph M. Fee, president, is the chief investment officer; Kenneth E. Olivier, vice president, is the client contact.

Drexel Burnham Lambert Investment Advisors

1500 Walnut St., Philadelphia, Pa.
19102; (215) 545-4100

Total assets mgd.	$1,100,000,000
Tax-exempt assets mgd:	
Total	$700,000,000
Fully discretionary	$500,000,000
Minimum separate account	$1,500,000
Tax-exempt clients	79
Types of accounts mgd	CEFJ
No. of portfolio mgrs	12
Size of research staff	40

Drexel Burnham Lambert stresses relative value, high quality, sector rotation and avoidance of major risk for its equity investments.

The firm uses credit analysis, swapping and trading short-term interest rate movements for fixed income.

As of Jan. 1, the asset mix was 60% stocks, 35% bonds and 5% cash.

Clients include Brooklyn Union Gas Co., Philadelphia Electric Co., Elgin National Industries and Grey Advertising.

W. Thacher Brown, senior vice president, is the chief investment officer; James Hesser, vice president, is the client contact.

Dreyfus Management Inc.

767 Fifth Ave., New York, N.Y. 10153;
(212) 715-6454

Total assets mgd.	$1,550,000,000
Tax-exempt assets mgd:	
Total	$1,550,000,000
Fully discretionary	$1,550,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	46
Types of accounts mgd	CFGJ
No. of portfolio mgrs	8
Size of research staff	3

Dreyfus Management Inc. is a subsidiary of Dreyfus Corp. The firm has a value-oriented, low price-earnings, contrarian approach to equities. It uses a blend of top-down/bottom-up styles with stock selection and the asset mix decision the most important elements.

For fixed-income, the firm's strategy is based on interest rate changes and positioning of the portfolio along expected yield curve.

As of Jan. 1, the asset mix was 44% stocks, 33% cash and 23% bonds.

Clients include El Paso Co., National Steel Corp., Consolidated Edison Co. of N.Y. and the state of New Hampshire.

Peter A. Santoriello, president, is the chief investment officer; Bruce Kerr, vice president, is the client contact.

Duff & Phelps Investment Management Co.

710 Ohio Savings Plaza, Cleveland,
Ohio 44114; (216) 771-3450

Total assets mgd.	$435,000,000
Tax-exempt assets mgd:	
Total	$303,000,000
Fully discretionary	$303,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	25
Types of accounts mgd	CEFG
No. of portfolio mgrs	6
Size of research staff	30

Duff & Phelps Investment Management Co., a subsidiary of Duff and Phelps Inc., uses a bottom-up approach to equity investing, emphasizing low price-earnings, high dividend income and above average returns.

The firm's fixed-income approach stresses preservation of capital and high quality issues. Maturity distribution is based on interest rate forecasts.

As of Jan. 1, the asset mix was 55% bonds, 40% stocks and 5% cash.

Clients include Arizona State Compensation Fund, Texas Employees Retirement System, Lincoln Foundation and the Ohio State Highway Patrol Retirement System.

Robert D. Milne, president, is the chief investment officer; Richard R. Davis is the client contact.

e

E.M.G. Advisors

1960 Bronson Road, Fairfield, Conn.
06430; (203) 255-5701

Total assets mgd.	$106,000,000
Tax-exempt assets mgd:	
Total	$104,000,000
Fully discretionary	$104,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	26
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	5

E.M.G. Advisors invests pension assets in deep discount U.S. government securities. Monthly reinvestment is determined by picking from a computer universe of 67,000 government securities.

As of Jan. 1, the asset mix was 100% bonds.

Clients include R.J. Reynolds, Stauffer Chemical and Heublein.

Chief investment officers and client contacts are Ebon M. Graves, president, Gordon Lindsay, vice president and Virginia Sannino, vice president.

Eagle Management & Trust Co.

1200 River Oaks Bank Tower,
Houston, Texas 77019; (713)
526-8401

Total assets mgd.	$1,110,000,000
Tax-exempt assets mgd:	
Total	$1,084,000,000
Fully discretionary	$989,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	29
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	0

Eagle Management & Trust Co. is a value investor, using a long-term outlook to seek undervalued areas of the market with financial strength being a prime consideration.

As of Jan. 1, the asset mix was 82% stocks, 9% bonds and 9% cash.

Clients include the state of Utah, Xerox Corp., Bendix Corp. and Southern California Edison.

Monroe Luther, president, is the chief investment officer and the client contact.

Eastdil Advisers Inc.

40 W. 57 St., New York, N.Y. 10019;
(212) 977-4505

Total assets mgd.	$600,000,000
Tax-exempt assets mgd:	
Total	$600,000,000
Fully discretionary	$600,000,000
Real estate assets mgd	$600,000,000
Minimum separate account	$50,000,000
Tax-exempt clients	2
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	0

Eastdil Advisers Inc. invests only in real estate, with $570 million of its total assets in equity and $30 million in mortgages.

As of Jan. 1, the asset mix was 95% equity real estate and 5% mortgages.

Clients include AT&T and Chrysler.

James J. Gallagher, president, is the chief investment officer and the client contact.

Eaton & Howard, Vance Sanders Inc.

24 Federal St., Boston, Mass. 02110;
(617) 482-8260

Total assets mgd.	$2,504,000,000
Tax-exempt assets mgd:	
Total	$420,000,000
Fully discretionary	$392,000,000
International assets mgd	$34,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	73
Types of accounts mgd	CEFG
No. of portfolio mgrs	10
Size of research staff	18

Eaton & Howard, Vance Sanders invests in undervalued securities predicted to have substantial appreciation. It uses a bottom-up approach. For fixed income, the firm manages portfolios actively to achieve superior returns while preserving capital and reducing portfolio volatility. The firm seeks to own undervalued issues employing yield spread analysis, sector swapping and interest rate anticipation.

As of Jan. 1, the asset mix was 61% stocks, 24% bonds and 15% cash.

Clients include Boise Cascade, San Francisco Employees Retirement System, McGraw Hill and Puget Sound Power & Light.

Landon T. Clay, chairman of the board and chief executive officer, is the chief investment officer; John H. Wise Jr., vice president, is the client contact.

Eberstadt Asset Management Inc.

61 Broadway, New York, N.Y. 10006;
(212) 480-8600

Total assets mgd.	$2,421,000,000
Tax-exempt assets mgd:	
Total	$2,318,000,000
Fully discretionary	$2,318,000,000
International assets mgd	$4,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	42
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	9

Eberstadt Asset Management Inc. picks stocks through intensive bottom-up research. It seeks companies that will produce incremental unit volume growth and pricing flexibility that will result in superior growth in assets, earnings, dividends and cash flow. For fixed-income, it evalutes the risk/reward of short-term securities and the principal risk for longer-term securities. It structures portfolios based on proprietary key indicators, rather than interest-rate forecasts. Eberstadt uses fixed-income futures.

As of Jan. 1, the asset mix was 89% stocks, 3% bonds and 9% cash.

Clients include the Bell System, Eastman Kodak, Hughes Aircraft and Sperry Corp.

G.P. Schieferdecker, president, is the chief investment officer; Michael J. Del Priore, vice president and director of marketing, is the client contact.

Dale K. Ehrhart Inc.

101 W. Venice Ave. Suite 11, Venice,
Fla.; (813) 485-5466

Total assets mgd.	$77,000,000
Tax-exempt assets mgd:	
Total	$25,000,000
Fully discretionary	$25,000,000
Real estate assets mgd	$15,000,000
Minimum separate account	$100,000
Tax-exempt clients	85
Types of accounts mgd	CEFJ
No. of portfolio mgrs	1
Size of research staff	1

Dale K. Ehrhart Inc., principally an equity manager, follows a low price-earnings and Graham & Dodd philosophy for investment. The firm uses options.

As of Jan. 1 the asset mix was 95% stocks and 5% cash.

Dale K. Ehrhart, president, is the chief investment officer; Thomas B. Trammell, vice president, is the client contact.

Richard Ellis Inc.

200 E. Randolph Drive Suite 6545,
Chicago, Ill. 60601 (312) 861-1105

Total assets mgd.	$740,000,000
Tax-exempt assets mgd:	
Total	na
Fully discretionary	na
Real estate assets mgd	$740,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	na
Types of accounts mgd	CG
No. of portfolio mgrs	14
Size of research staff	30

Richard Ellis Inc., a real estate investment adviser, has $641 million under management that represents U.K. pension fund assets.

As of Jan. 1, the asset mix was 100% equity real estate.

Clients include Electricity Supply, the Imperial Group and U.K. American Properties Inc.

Christopher D. Budden, chairman, executive committee, is the chief investment officer; Bradley A. Olsen, senior vice president, is the client contact.

Endowment Management & Research Corp.

77 Franklin St., Boston, Mass. 02110;
(617) 357-8480

Total assets mgd.	$1,913,000,000
Tax-exempt assets mgd:	
Total	$1,857,000,000
Fully discretionary	$1,857,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	40
Types of accounts mgd	CEF
No. of portfolio mgrs	9
Size of research staff	6

A subsidiary of Baring Brothers & Co. Ltd., EM&R's investment philosophy concentrates on individual stock selection and seeks out securities undervalued on a fundamental basis. For fixed income, it is a risk-control manager that places an emphasis on high-yield securities.

As of Jan. 1, the asset mix was 93% stocks, 4% bonds and 3% cash.

Clients include American Brands, International Monetary Fund, Cal Tech and the Clark Foundation.

John P. McGinnis, chairman, is the chief investment officer; John J. Arena, president, is the client contact.

Equitable Bank

100 S. Charles St., Baltimore, Md.
21201; (301) 547-4428

Total assets mgd.	$531,000,000
Tax-exempt assets mgd:	
Total	$155,000,000
Fully discretionary	$150,000,000
Minimum separate account	na
Tax-exempt clients	243
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	2

The Equitable Bank, a subsidiary of the Equitable Bancorporation, uses a relative value approach with a defined buy and sell discipline. It is a traditional bond strategist that follows a yield curve and watches shifts in quality rating.

As of Jan. 1, the asset mix was 70% stocks, 25% bonds and 5% cash.

Clients include Maryland School for the Blind pension fund, the College of Notre Dame Pension fund, the Cathedral of Mary Our Queen, and the Government Employees Benefit Association.

Josiah J. Willard III, vice president, is the chief investment officer; Louis Nielson, vice president, is the client contact.

Equitable Life Assurance

1285 Avenue of the Americas, New
York, N.Y. 10019; (212) 554-1255

Total assets mgd.	$45,400,000,000
Tax-exempt assets mgd:	
Total	$32,800,000,000
Fully discretionary	$32,800,000,000
Real estate assets mgd	$2,320,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	6,521
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	17
Size of research staff	17

Equitable Life favors reasonably valued companies with high-earnings growth potential—particularly those expected to reinvest a substantial portion of earnings. For fixed income, Equitable's approach is based on credit quality, interest-rate projections and maturity shifts. Its spectrum of bond accounts—which vary in management strategy, return objectives and expected volatility—provides for total return of a client's risk exposure. It manages immunized bond portfolios and dedicated bond portfolios.

As of Jan. 1, the asset mix was 48% stocks, 18% bonds, 12% cash, 19% equity real estate and 3% mortgages.

Clients include Colgate-Palmolive, AT&T, Ethyl Corp. and TWA.

James A. Attwood, executive vice president, is the chief investment officer; Barry V. Smith, executive vice president, is the client contact.

Equitable Bank continued on 43

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Equitec Institutional Realty Advisers

7677 Oakport St., Oakland, Calif. 94705; (415) 430-9900

Total assets mgd.	$500,000,000
Tax-exempt assets mgd:	
Total	$10,000,000
Fully discretionary	$10,000,000
Real estate assets mgd	$500,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	1
Types of accounts mgd	C
No. of portfolio mgrs	na
Size of research staff	na

Equitec acquires prime quality institutional-grade property in major growth areas that are managed in-house, then sold within 7 years.

As of Jan. 1, the asset mix was 100% equity real estate. Ronald E. Silva is chief investment officer.

Equity Advisors Inc.

Greenwich Office Park, Greenwich, Conn. 06830; (212) 931-5300

Total assets mgd.	$105,000,000
Tax-exempt assets mgd:	
Total	$36,000,000
Fully discretionary	$36,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	220
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	3
Size of research staff	3

Equity Advisors follows a non-diversified equity approach that consists of taking meaningful positions (up to 25% of the total) in researched investments. For fixed income, it keeps large cash reserves awaiting market declines in order to take advantage of buying opportunities.

As of Jan. 1, the asset mix was 74% stocks and 26% cash. Clients include the Gintel Fund and Dayco.

Robert M. Gintel is chief investment officer; A.L. Robinson Jr. is client contact.

Equity Research Associates

540 Madison Ave., New York, N.Y. 10022; (212) 940-0104

Total assets mgd.	$40,000,000
Tax-exempt assets mgd:	
Total	$27,000,000
Fully discretionary	$27,000,000
Minimum separate account	$300,000
Tax-exempt clients	25
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	5

Equity Research Associates conducts a contrarian portfolio strategy focused on junior growth stocks (sales of less than $50 million) and special situations.

As of Jan. 1 the asset mix was 83% stocks and 17% cash.

John Westergaard, is the chief investment officer, and Leon Colchamiro, is the client contact.

Institutional Strategies Using S&P 500™ Futures And Options

A two-day seminar sponsored by the Index and Option Market division of the Chicago Mercantile Exchange for professional portfolio managers.

Scheduled topics will include:

- *The Impact of New Products on the Portfolio Manager*
- *The Role of New Products: New Capabilities/New Responsibilities*
- *Portfolio Substitute Strategies*
- *Portfolio Hedging Strategies*

The seminars will be held in:

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Monday and Tuesday April 11 and 12 Copley Plaza Hotel Copley Square	Wednesday and Thursday April 13 and 14 City Mid-Day Club 140 Broadway

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Estabrook Capital Management Inc.

29 Broadway, New York, N.Y. 10006; (212) 742-1717

Total assets mgd.	$300,000,000
Tax-exempt assets mgd:	
Total	$195,000,000
Fully discretionary	$195,000,000
Minimum separate account	$250,000
Tax-exempt clients	85
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	6

Estabrook Capital Management follows a defensive position oriented toward positive absolute performance. It times markets to limit downside risk. It is value oriented but pragmatic as to sector. For fixed income, it limits risk by carefully controlling maturity risk.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include Curtis Wright pension plan and Grow Chemical pension plan.

Roy Y. Williamson, executive vice president, is the chief investment officer; Gary W. Wood, executive vice president, is the client contact.

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FJW Financial Management Inc.

1001 S.W. Fifth Ave., Suite 1919, Portland, Ore. 97204; (503) 226-1444

Total assets mgd.	$400,000,000
Tax-exempt assets mgd:	
Total	$200,000,000
Fully discretionary	$200,000,000
Real estate assets mgd	$15,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	85
Types of accounts mgd	CEFJ
No. of portfolio mgrs	4
Size of research staff	1

FJW is a risk forecaster and subscribes to the top-down method of equity construction. It selects favored industries and their leading companies believing in the "flow of funds" approach.

As of Jan. 1, the asset mix was 40% stocks, 40% bonds, 15% cash, 3% equity real estate and 2% mortgages.

Clients include the Oregon Public Employees Union, University of Oregon Health Science Center, Oregon-Washington Carpenters and the Archdiocese of Oregon.

H. Joseph Ferguson, secretary/treasurer, is the chief investment officer; James H. Rudd, vice president of marketing, is the client contact.

Federated Investment Counseling Inc.

421 Seventh Ave., Pittsburgh, Pa. 15219; (421) 288-6303

Total assets mgd.	$503,000,000
Tax-exempt assets mgd:	
Total	$100,000,000
Fully discretionary	$88,000,000
Minimum separate account	0
Tax-exempt clients	16
Types of accounts mgd	CEF
No. of portfolio mgrs	9
Size of research staff	9

Federated is a relative value manager in equity investment. It uses a five- to 14-year range of maturities and broad sector analysis for fixed income.

As of Jan. 1, the asset mix was 45% stocks, 45% bonds and 10% cash.

Henry J. Gailliot, senior vice president, is the chief investment officer; John B. Fisher, vice president, is the client contact.

The Fidelity Bank

Broad & Walnut Sts., Philadelphia, Pa. 19109; (215) 985-8147

Total assets mgd.	$3,370,000,000
Tax-exempt assets mgd:	
Total	$1,456,000,000
Fully discretionary	$1,456,000,000
Master trust assets	$150,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	443
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	14

Fidelity Bank actively manages its equity portfolios on the basis of in-depth fundamental research.

Selections are based on earnings forecasts and the market's valuation of the earnings outlook.

Bonds are managed on the basis of business cycle and interest rate analyses. Commitments to long-term bonds can range from 0% to 100%. Through a subsidiary, Fidelity also runs real estate investments.

As of Jan. 1, the asset mix was 16% in stocks, 84% in bonds.

Clients include Standard Oil of Calif., Signal Cos., Pennsylvania Municipal Retirement System and AMAX Inc.

John M. Convery, senior vice president, is the chief investment officer; Martin Offenberg, vice president, is the client contact.

Fidelity Union Bank

765 Broad St., Newark, N.J. 07101; (201) 430-4000

Total assets mgd.	$1,765,000,000
Tax-exempt assets mgd:	
Total	$680,000,000
Fully discretionary	$500,000,000
Master trust assets	$375,000,000
International assets mgd	$2,000,000
Minimum separate account	$150,000
Tax-exempt clients	514
Types of accounts mgd	CEFJ
No. of portfolio mgrs	14
Size of research staff	7

A subsidiary of Fidelity Union Bancorp., Fidelity Union has a strong value orientation with a bias toward growth and emerging-growth companies.

As of Jan. 1, the asset mix was 60% stocks and 40% bonds.

Roger R. Conant, executive vice president, is the chief investment officer; Marc S. Herold, trust officer, is the client contact.

Fiduciary Counsel Inc.

40 Wall St., New York, N.Y. 10005; (212) 344-6400

Total assets mgd.	$560,000,000
Tax-exempt assets mgd:	
Total	$180,000,000
Fully discretionary	$148,000,000
Minimum separate account	$500,000
Tax-exempt clients	16
Types of accounts mgd	CEFJ
No. of portfolio mgrs	4
Size of research staff	5

A subsidiary of Associated Family Services Inc., Fiduciary Counsel applies appropriate strategies of investing to provide customized service in both equity and fixed-income investments.

As of Jan. 1, the asset mix was 70% stocks, 20% bonds and 10% cash.

Fiduciary Counsel clients include General Computer Interfaces Inc., University Surgical Associates, the Pittsburgh Presbytery and Ra X Productions Inc.

Andrew E. Beer, president, is the chief investment officer; Jack R. Orben, chairman of the board, is the client contact.

Fiduciary Management Associates

135 S. LaSalle St., Suite 3310, Chicago, Ill. 60603; (312) 930-6850

Total assets mgd.	$200,000,000
Tax-exempt assets mgd:	
Total	$170,000,000
Fully discretionary	$170,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	45
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	0

FMA is a top-down, macroeconomic equity manager investing in value oriented companies that it predicts will profit from economic trends. It uses active bond management with a top-down approach, varying sector exposure and taking advantage of interest rate and yield spread changes.

As of Jan. 1, the asset mix was 80% in equities, 13% in fixed income and 7% in cash.

Clients include Bristol Myers, Bally Manufacturing, National Manufacturing, Kewaunee Scientific and the YMCA of Metropolitan Chicago.

Philip Edward Arnold, president, is the chief investment officer; Robert F. Carr III, chairman of the board, is the client contact.

Fiduciary Trust Co. of New York

2 World Trade Center, New York, N.Y. 10048; (212) 466-4100

Total assets mgd.	$7,250,000,000
Tax-exempt assets mgd:	
Total	$5,000,000,000
Fully discretionary	$5,000,000,000
Master trust assets	$240,000,000
Master custodian assets	$6,000,000,000
International assets mgd	$2,000,000
Minimum separate account	$300,000
Tax-exempt clients	236
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	43
Size of research staff	10

Fiduciary Trust's equity and fixed-income investment philosophies emphasize shifting portfolio concentrations to various market sectors and industries on the basis of the economic outlook.

As of Jan. 1, the asset mix was 47% stocks, 49% bonds and 4% cash.

Clients include Alcan Aluminum, the American Red Cross and the New Mexico Public Employees' Retirement Association.

Jeremy H. Biggs, executive vice president, is the chief investment officer; Sarah J. Foley, assistant vice president, is the client contact.

Fielding Management Co. Inc.

183 E. Main St., Suite 942, Rochester, N.Y. 14604; (716) 232-3320

Total assets mgd.	$25,000,000
Tax-exempt assets mgd:	
Total	$11,000,000
Fully discretionary	$11,000,000
Minimum separate account	$150,000
Tax-exempt clients	16
Types of accounts mgd	CF
No. of portfolio mgrs	1
Size of research staff	2

Fielding Management takes a value oriented approach to equities, preferring companies that are growing faster than the economy as a whole. It makes extensive use of convertible bonds of growth companies for tax-free accounts, and yield curve and quality analysis for municipal bonds.

As of Jan. 1, the asset mix was 60% in bonds, 25% equities and 15% cash.

Clients include Rochester Tax Managed Fund, Martek Investors Inc. and Seneca Indian Nation.

Ronald H. Fielding is chief investment officer and client contact.

The Fields Investment Group

4370 Alpine Road, Suite 104, Portola Valley, Calif. 94025; (415) 851-8120

Total assets mgd.	$57,000,000
Tax-exempt assets mgd:	
Total	$53,000,000
Fully discretionary	$53,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	13
Types of accounts mgd	CF
No. of portfolio mgrs	1
Size of research staff	0

A subsidiary of Fields Financial Corp., Fields Investment Group buys equities where demand/supply changes indicate the potential for superior price appreciation and prospects can be documented by fundamental analysis. It uses no constraints regarding industry, capitalization, price-earnings ratios or yields.

As of Jan. 1, the asset mix was 65% in equities, 21% bonds and 14% cash.

Clients include Amstar, Allen-Bradley, The Hell Co. and Johnson Controls.

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Nancy B. Green, managing partner, is the chief investment officer; Roth S. Schleck Jr., director of marketing, is the client contact.

The Fifth Third Bank

Trust Division 00850, Fifth Third Center, Cincinnati, Ohio 45263; (513) 579-5493

Total assets mgd.	$2,000,000,000
Tax-exempt assets mgd:	
Total	$900,000,000
Fully discretionary	$900,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	490
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	0

A subsidiary of Fifth Third Bancorp., the Fifth Third Bank emphasizes high-quality, under-recognized issues offering high current returns and low volatility.

Fixed-income investments are primarily utilized to reduce portfolio risk. It prefers high quality, intermediate-term issues.

As of Jan. 1, the asset mix was 65% equities, 30% bonds and 5% cash.

Clients include Taft Broadcasting, Cincinnati Gas & Electric, Cincinnati Financial Corp. and the Shriners Hospital.

William F. Bahl, vice president, is chief investment officer; Stephen E. Root, trust officer, is the client contact.

Financial Trust Co.

7503 Marin Drive, Englewood, Colo. 80111; (303) 779-1233

Total assets mgd.	$35,000,000
Tax-exempt assets mgd:	
Total	$35,000,000
Fully discretionary	$35,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	2
Types of accounts mgd	C
No. of portfolio mgrs	5
Size of research staff	2

A subsidiary of Financial Programs Inc., Financial Trust Co. is a non-diversified equity manager with a rotational industry emphasis based on strong earnings. For fixed income, it emphasizes a risk-adjusted total return using duration as a tool and positive returns as an objective. It uses a computer data base for stock information.

As of Jan. 1, the asset mix was 95% in stocks and 5% cash.

H. David Lansdowne, senior vice president and director of research, is the chief investment officer; John M. Butler, executive vice president, is the client contact.

First American Bank of Nashville

First American Center, Nashville, Tenn. 37237; (615) 748-2344

Total assets mgd	$800,000,000
Tax-exempt assets mgd:	
Total	$350,000,000
Fully discretionary	$350,000,000
Minimum separate account	$500,000
Tax-exempt clients	250
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	0

Using a top-down approach, First American of Nashville attempts to maximize exposure during the expansion phase of the cyclical movements of the equity market and minimize exposure during cyclical declines. The bank maximizes its commitment to the fixed-income market when interest rates are declining and reduces its commitment during an expansionary phase.

As of Jan. 1, the asset mix was 50% equities, 40% bonds and 10% cash.

Clients include Dollar General, National Association of Letter Carriers and Service Merchandise.

John M. Lee Jr., executive vice president, is the chief investment officer; Terry R. Paquette, vice president, is the client contact.

First and Merchants National Bank

P.O. Box 27025, Richmond, Va. 23261; (804) 788-2559

Total assets mgd.	$1,800,000,000
Tax-exempt assets mgd:	
Total	$700,000,000
Fully discretionary	$700,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	600
Types of accounts mgd	CEFG
No. of portfolio mgrs	9
Size of research staff	4

A subsidiary of First & Merchants Corp., First & Merchants National Bank uses sector swapping and interest rate anticipation of its fixed-income investments. It uses Modern Portfolio Theory for equity investments.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds and 10% cash.

Clients include the Ethyl Corp., Reynolds Metals and the District of Columbia Retirement Systems.

Stuart A. Sachs, senior vice president, is the chief investment officer.

Robert E. Mitchell, pension trust officer, is the client contact.

First Asset Management

First Bank Place, Minneapolis, Minn. 55480; (612) 370-4639

Total assets mgd.	$1,772,000,000
Tax-exempt assets mgd:	
Total	$1,245,000,000
Fully discretionary	$1,088,000,000
Master trust assets	$200,000,000
Master custodian assets	$800,000,000
Real estate assets mgd	$20,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	63
Types of accounts mgd	CEF
No. of portfolio mgrs	6
Size of research staff	14

A subsidiary of First Bank Minneapolis, First Asset Management uses a value-oriented sector rotation. It attempts to make timely switches between money market instruments and intermediate- to long-term maturities for its fixed-income investments.

As of Jan. 1, the asset mix was 62% in equities, 25% bonds, 8% cash and 5% equity real estate.

Clients include Deluxe Check and Northern States Power. Richard W. Jensen is chief investment officer; Fred H. Speece Jr. is client contact.

First City National Bank

909 Fannin St., Houston, Texas 77002; (713) 658-6705

Total assets mgd.	$3,200,000,000
Tax-exempt assets mgd:	
Total	$2,300,000,000
Fully discretionary	$970,000,000
Master trust assets	$563,000,000
Master custodian assets	$1,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	62
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	7

First City National Bank of Houston is a subsidiary of First City Bancorporation.

As of Jan. 1, the asset mix was 72% stocks, 11% bonds, 12% cash and 5% equity real estate.

Clients include Shell Oil Co., Superior Oil Co., Reed Tool Co. and Soltex Polymer Corp.

Richard O'Rourke, senior vice pres-

First City continued on 46

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333671.29
16683.01
350354.30 ◦
148313.42
22340.36
521008.08 ◦
5843.12 -
27315.56 -
5039.89 -
482809.51 ◦
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First City continued from 45

ident and trust investment officer, is the chief investment officer; Terry Lambert, vice president, is the client contact.

First Interstate Bank of Oregon, N.A.

Trust Financial Services, 1300 S.W. Fifth Ave., P.O. Box 2971, Portland, Ore. 97208; (503) 225-2363

Total assets mgd.	$1,400,000,000
Tax-exempt assets mgd:	
Total	$667,000,000
Fully discretionary	$667,000,000
Master trust assets	$82,000,000
Master custodian assets	$1,000,000
Real estate assets mgd	$90,000,000
Minimum separate account	$500,000
Tax-exempt clients	65
Types of accounts mgd	CEFJ
No. of portfolio mgrs	8
Size of research staff	3

First Interstate Bank attempts to select those stocks that offer extraordinary value relative to company assets, profitability and growth potential.

For fixed income, an analysis of the yield curve results in the selection of bonds. The bank aims for high returns and minimum volatility and risk.

As of Jan. 1, the asset mix was 30% stocks, 36% bonds, 22% cash, 4% equity real estate, 2% mortgages and 6% in hard assets.

Clients include AT&T, Georgia Pacific, Northwest Natural Gas and Louisiana Pacific.

Robert G. Murray, senior vice president, is the chief investment officer; Robert L. Belding, vice president, is the client contact.

First Interstate Bank of Washington

P.O. Box 21927, Seattle, Wash. 98111; (206) 292-3522

Total assets mgd.	$966,000,000
Tax-exempt assets mgd:	
Total	$287,000,000
Fully discretionary	$287,000,000
Minimum separate account	$250,000
Tax-exempt clients	85
Types of accounts mgd	CFJ
No. of portfolio mgrs	6
Size of research staff	0

A subsidiary of First Interstate Bancorp., First Interstate Bank of Washington uses a fundamental approach to equities, analyzing the economy, then searching for undervalued securities.

Bond management is characterized by sector and company analysis along with interest rate forecasting.

As of Jan. 1, the asset mix was 45% stocks, 40% bonds and 15% cash.

Clients include Georgia Pacific, Nordstrom, Lockheed and Boeing.

J. Clark Reardon, senior vice president of the bank, is the chief investment officer.

Richard Thorvilson, trust officer, is the client contact.

First Investment Management Corp.

120 N. Robinson, P.O. Box 25189, Oklahoma City, Okla. 73125; (405) 272-4202

Total assets mgd.	$2,155,000,000
Tax-exempt assets mgd:	
Total	$1,740,000,000
Fully discretionary	$1,740,000,000
Real estate assets mgd	$5,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	190
Types of accounts mgd	CFG
No. of portfolio mgrs	7
Size of research staff	3

First Investment Management is a subsidiary of First National Bank & Trust Co. of Oklahoma City.

As of Jan. 1, the asset mix was 21% stocks, 64% bonds, 14% cash, 1% employee stocks and silver, and a small amount in equity real estate and mortgages.

Clients of First Investment include the Shriners Hospital, Oklahoma Gas & Electric Co., Oklahoma Public Employees Retirement System and the Teachers' Retirement System of Oklahoma.

Tom J. Thompson, president, is the chief investment officer; Edward Ludacer, vice president, is the client contact.

First Investors Asset Management

120 Wall St., New York, N.Y. 10005; (212) 825-5460

Total assets mgd.	$788,000,000
Tax-exempt assets mgd:	
Total	$169,000,000
Fully discretionary	$169,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	5
Types of accounts mgd	C
No. of portfolio mgrs	4
Size of research staff	2

A subsidiary of First Investors Corp., First Investors Asset Management is a high-yield bond manager and uses fundamental credit analysis.

As of Jan. 1, the asset mix was 98% in fixed income and 2% in cash.

Clients include the World Bank, Allied Corp. and GTE.

David Solomon, president, is the chief investment officer; Marianne Murphy, vice president of marketing, is the client contact.

First Kentucky Co.

101 S. Fifth St., Louisville, Ky. 40202; (502) 581-4050

Total assets mgd.	$900,000,000
Tax-exempt assets mgd:	
Total	$900,000,000
Fully discretionary	$898,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	40
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	3
Size of research staff	4

A subsidiary of First Kentucky National Corp., First Kentucky takes a bottom-up approach to equities. It looks for below average price-earnings with higher than average growth prospects.

As of Jan. 1, the asset mix was 60% stocks, 35% bonds and 5% cash.

Clients include Brown Forman, Figgie International, South Central Bell and the University of Louisville.

Irvin W. Quesenberry, vice president, is the chief investment officer; John H. Yost, vice president, is the client contact.

First Manhattan Co.

380 Madison Ave., New York, N.Y. 10017; (212) 949-8000

Total assets mgd.	$1,200,000,000
Tax-exempt assets mgd:	
Total	$600,000,000
Fully discretionary	$600,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	27
Types of accounts mgd	CF
No. of portfolio mgrs	5
Size of research staff	16

First Manhattan looks for equity investments with strong balance sheets, exceptional profitability and understandable products/services. It buys below-average multiples and holds positions for long-term performance with low risk.

As of Jan. 1, the asset mix was 85% stocks and 15% cash.

Clients of the First Manhattan Co. include GTE Corp., AMAX, Sony Corp. and the Andrew W. Mellon Foundation.

David S. Gottesman, managing partner, is the chief investment officer.

Harold M. Newman, director of marketing, is the client contact.

First National Bank & Trust Co. of Lincoln

P.O. Box 81008, Lincoln, Neb. 68501; (402) 471-1307

Total assets mgd.	$500,000,000
Tax-exempt assets mgd:	
Total	$150,000,000
Fully discretionary	$125,000,000
Real estate assets mgd	$5,000,000
Minimum separate account	$300,000
Tax-exempt clients	220
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	0

First National Bank & Trust uses a growth stock approach to equity investing. For fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 50% in stocks, 35% bonds, 10% cash and 5% equity real estate.

William S. Eastwood, vice president and manager of the trust investment department, is the chief investment officer; Norman Wilson, vice president, is the client contact.

First National Bank & Trust Co. of Tulsa

Box One, Tulsa Okla., 74193; (918) 586-1000

Total assets mgd.	$672,000,000
Tax-exempt assets mgd:	
Total	$180,000,000
Fully discretionary	$150,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	124
Types of accounts mgd	CEFG
No. of portfolio mgrs	4
Size of research staff	0

A subsidiary of First Tulsa Bancorp., First National's equity investment decisions are based on an examination of fundamental and technical factors. For fixed income, it holds a core of 50% in intermediates and actively manages the balance based on the interest rate outlook.

As of Jan. 1, the asset mix was 40% stocks, 40% bonds, 10% cash and 10% in GICs.

Clients include Helmerich & Payne, Reading & Bates, Otasco and Sooner Pipe & Supply.

Thomas D. Dalby, vice president and senior trust investment officer, is the chief investment officer; Constance S. Cantrell, assistant vice president and pension marketing officer, is the client contact.

First National Bank of Atlanta

P.O. Box 4148, Atlanta, Ga. 30302; (404) 588-5104

Total assets mgd.	$2,000,000,000
Tax-exempt assets mgd:	
Total	$1,800,000,000
Fully discretionary	$1,080,000,000
Master trust assets	$1,100,000,000
Real estate assets mgd	$74,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	500
Types of accounts mgd	CEFG
No. of portfolio mgrs	8
Size of research staff	6

A subsidiary of First Atlanta Corp., First National Bank of Atlanta uses a set of proprietary risk/reward and trend predictive models to determine appropriate cash reserve levels for equities. It uses regression analysis of economic cycles to predict future interest rates.

As of Jan. 1, the asset mix was 40% equities, 20% bonds and 40% cash.

Clients include Equifax, AT&T, Southern Co. and the state of Georgia.

David M. Parker, senior vice president, is the chief investment officer; David S. Graham, vice president, is the client contact.

The First National Bank of Boston

100 Federal St., Boston, Mass. 02110; (617) 434-2200

Total assets mgd.	$6,671,000,000
Tax-exempt assets mgd:	
Total	$4,300,000,000
Fully discretionary	$4,300,000,000
Master trust assets	$84,000,000
Real estate assets mgd	$400,000,000
International assets mgd	$16,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	750
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	15
Size of research staff	21

The equity portfolios of FNB of Boston are actively managed to seek out sound investment value for long-term appreciation and dividend growth. They also look for situations that are attractive for the near term. They use passive and active fixed-income management techniques to control risk and generate positive real returns.

As of Jan. 1, the asset mix was 60% stocks, 20% bonds, 10% cash, 8% equity real estate and 2% mortgages.

Ronald J. Burns, senior vice president, is the chief investment officer; Peter F. Tague, III, first vice president, is the client contact.

The First National Bank of Chicago

One First National Plaza, Chicago, Ill. 60670; (312) 732-4151

Total assets mgd.	$7,488,000,000
Tax-exempt assets mgd:	
Total	$4,726,000,000
Fully discretionary	$4,726,000,000
Master trust assets	$5,291,000,000
Master custodian assets	$25,000,000
Real estate assets mgd	$390,000,000
International assets mgd	$136,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	375
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	15
Size of research staff	23

First National Bank of Chicago bases its equity selection on an analysis of the intrinsic value of each issue combined with an assessment of the contribution of each issue to the diversification of the portfolio. A broad product range in fixed income permits a plan sponsor to select active or passive management risks and enhance rewards through an interest rate anticipation strategy.

As of Jan. 1, First National's asset mix was 28% stocks, 31% bonds, 25% cash, 12% equity real estate, 1% venture capital, 2% international equity and 1% international fixed income.

Clients include Westinghouse, Boeing, Union Oil and General Motors.

Gary P. Brinson, senior vice president, is the chief investment officer; Larry G. Ginnegaw, vice president, is the client contact.

First National Bank of Cincinnati

P.O. Box 1118, Cincinnati, Ohio 45201; (513) 632-4588

Total assets mgd.	$1,512,000,000
Tax-exempt assets mgd:	
Total	$315,000,000
Fully discretionary	$315,000,000
Minimum separate account	0
Tax-exempt clients	450
Types of accounts mgd	CEFGJ
3No. of portfolio mgrs	8
Size of research staff	6

First National of Cincinnati combines fundamental, relative value analysis with technical analysis for its desired equity asset allocation.

As of Jan. 1, the asset mix was 55% stocks, 35% bonds and 10% cash.

Harold A. Klink, vice president and trust officer, is the chief investment officer and client contact.

First National Bank of Commerce

210 Baronne St., New Orleans, La. 70112; (504) 561-1608

Total assets mgd	$230,000,000
Tax-exempt assets mgd:	
Total	$120,000,000
Fully discretionary	$120,000,000
Minimum separate account	$250,000
Tax-exempt clients	70
Types of accounts mgd	CFGJ
No. of portfolio ngrs	1
Size of research staff	4

First National Bank is a subsidiary of First Commerce Corp. and focuses its equity portfolios on growth stocks.

As of Jan. 1, the asset mix was 60% equities, 30% bonds and 10% cash.

Clients include Crescent River Port Pilots Association, Ochsner Clinic, New Orleans Steamship Association and IBM.

Fred M. Smith, senior vice president, is the chief investment officer; Alois S. Jurdk, vice president, is the client contact.

First National Bank of Fort Worth

One Burnett Plaza, Fort Worth, Texas 76102; (817) 390-6923

Total assets mgd.	$1,554,000,000

First National continued on 47

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the following elections

PATRICIA W. DE BLANK
Executive Vice President

WILLIAM J. CALLAHAN
Vice President

DOUGLAS C. TAYLOR
Vice President

PETER BERRIOS
Assistant Treasurer

DISCOUNT CORPORATION
OF NEW YORK ADVISERS
58 Pine Street, New York, N.Y. 10005

Fort Worth continued from 46

Tax-exempt assets mgd:	
Total	$415,000,000
Fully discretionary	$396,000,000
Real estate assets mgd	$150,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	456
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	0

A subsidiary of First United Bancorp., First National selects stocks through price-targeting rather than market timing. It performs top-down economic analysis and emphasizes growth and emerging issues. For fixed income, it emphasizes maturities, quality and issue spreads based upon the forecast of economic and supply/demand conditions.

As of January 1 the asset mix was 42% stocks, 23% bonds, 28% cash, 5% equity real estate and 2% mortgages.

Clients include Texas Electric, Texas-New Mexico Power, Waples-Platter and Western Co. of North America.

James R. Redfearn, vice president and investment officer, is the chief investment officer; David O'Brien Jr., trust officer, is the client contact.

The First National Bank of Kansas City

10th and Baltimore Sts., Kansas City, Mo. 64183; (816) 221-2800

Total assets mgd.	$1,736,000,000
Tax-exempt assets mgd:	
Total	$869,000,000
Fully discretionary	$869,000,000
Master trust assets	$200,000,000
Real estate assets mgd	$80,000,000
Minimum separate account	$500,000
Tax-exempt clients	356
Types of accounts mgd	CEF
No. of portfolio mgrs	10
Size of research staff	1

FNB of Kansas City takes a top-down approach to equity investments. Sectors and individual names are selected on the basis of formalized valuation and timing models. Movements in interest rates are anticipated through analysis of trends in liquidity, inflation, monetary policy and cyclical forces.

As of Jan. 1, the asset mix was 43% in stocks, 40% in bonds and 17% in cash.

Steve Palmer, senior vice president, is the chief investment officer; Lyle W. Brizendine, vice president, is the client contact.

First National State Bank of New Jersey

550 Broad St., Newark, N.J. 07102; (201) 565-3515

Total assets mgd.	$920,000,000
Tax-exempt assets mgd:	
Total	$450,000,000
Fully discretionary	$230,000,000
Master trust assets	$10,000,000
Minimum separate account	$200,000
Tax-exempt clients	350
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	0

First National State Bank of New Jersey seeks stocks with above-average earnings growth that it identifies as having close to market multiples. It actively trades bond portfolios for profits and increased income within its maturity and quality parameters.

As of Jan. 1, the asset mix was 25% in stocks, 55% bonds and 20% cash.

Richard J. Nicholson, vice president and senior trust investment officer, is the chief investment officer; Michael B. Watson, vice president, is the client contact.

First of America Bank Corp.

108 E. Michigan Ave., Kalamazoo, Mich. 49007; (616) 383-9382

Total assets mgd.	$1,100,000,000
Tax-exempt assets mgd:	
Total	$226,000,000
Fully discretionary	$226,000,000
Real estate assets mgd	$68,000,000
Minimum separate account	$500,000
Tax-exempt clients	926
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	52
Size of research staff	9

A balanced manager, First of America Bank Corp. puts its primary emphasis on sector and credit analysis, with rate anticipation swaps being executed at major market turning points.

As of Jan. 1, the asset mix was 55% stocks and 45% bonds.

Clients include Master Craft Corp., Fabri Kal Corp., Fetzer Television, Muskegon Policemen's and Firemen's Pension Fund and the W.E. Upjohn Unemployment Institute.

Samuel G. Stone, vice president, is the chief investment officer; Sherwood B. Winslow Jr., trust officer, is the client contact.

First Pacific Advisors Inc.

10301 W. Pico Blvd., Los Angeles, Calif. 90064; (213) 277-4900

Total assets mgd.	$870,000,000
Tax-exempt assets mgd:	
Total	$610,000,000
Fully discretionary	$610,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	24
Types of accounts mgd	CEFG
No. of portfolio mgrs	4
Size of research staff	1

First Pacific considers itself a value oriented, bottom-up manager of equities with an emphasis on individual companies and their fundamental values relative to price disciplines that avoid premium prices.

As of Jan. 1, the asset mix was 52% stocks, 11% bonds, 28% cash and 9% convertibles.

Clients include Rockwell International Corp., GTE, Signal Cos. and McGraw-Hill Inc.

George H. Michaelis, president and chief executive officer, is the chief investment officer; Lawrence P. McNeil, senior vice president, is the client contact.

First Pennsylvania Bank

Trust & Investment Group, 15th & Chestnut Sts., Philadelphia, Pa. 19101; (215) 786-7946

Total assets mgd.	$3,431,000,000
Tax-exempt assets mgd:	
Total	$1,741,000,000
Fully discretionary	$855,000,000
Master trust assets	$915,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	667
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	8

First Pennsylvania takes a risk-averse approach to equity investing. For fixed income, it attempts to protect principal and maximize returns by shifting assets within sectors of the market, assuming either a bullish or bearish position through its assessment of key economic and monetary indicators.

As of Jan. 1, the asset mix was 49% equities, 39% bonds, 11% cash and 1% equity real estate.

Clients include Montgomery County (Pa.) Retirement Board, Alco Standard Corp., Food Fair Stores Inc. and Walworth Co.

Courtney O. Anderson, senior vice president, is the chief investment officer; James F. McHale, vice president, is the client contact.

First Tennessee Investment Management Inc.

P.O. Box 84, 165 Madison Ave., Memphis, Tenn. 38101; (901) 523-5651

Total assets mgd.	$1,355,000,000
Tax-exempt assets mgd:	
Total	$616,000,000
Fully discretionary	$616,000,000
Master trust assets	$53,000,000
Master custodian assets	$43,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	923
Types of accounts mgd	CEFG
No. of portfolio mgrs	6
Size of research staff	5

First Tennessee Investment Management attempts to participate in the economic and industrial growth sectors of the economy by buying issues representing these sectors. For bonds, it varies the maturity of portfolios to protect principal values during the economic cycle but also to obtain a satisfactory long-term rate of return.

As of Jan. 1, the asset mix was 45% stocks, 46% bonds and 9% cash.

Clients include Bell Systems, city of Memphis, Shelby County and Methodist Hospital.

William Pruett, president, is chief investment officer; James Allen, vice president, is the client contact.

First Trust Co. of St. Paul

332 Minnesota St., St. Paul, Minn. 55101; (612) 291-5100

Total assets mgd.	$5,295,000,000

1st Trust Co. continues on 47

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First Trust continued from 47

Tax-exempt assets mgd:	
Total	$2,735,000,000
Fully discretionary	$1,465,000,000
Master trust assets	$1,275,000,000
Master custodian assets	$35,000,000
Real estate assets mgd	$25,000,000
Minimum separate account	0
Tax-exempt clients	500
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	9

First Trust Co. of St. Paul, a subsidiary of First Bank System, makes its portfolio selections by using economic forecasting and fundamental analysis.

As of Jan. 1, the asset mix was 50% equities, 40% bonds and 10% cash investments.

Richard P. Halverson, executive vice president, is the chief investment officer; Roger R. Schaeffer, vice president, is the client contact.

First Trust Corp.

455 Sherman St., Suite 100, Denver,
Colo. 80203; (303) 778-6800

Total assets mgd.	$160,000,000
Tax-exempt assets mgd:	
Total	$120,000,000
Fully discretionary	$120,000,000
Minimum separate account	$600,000
Tax-exempt clients	25
Types of accounts mgd	CF
No. of portfolio mgrs	5
Size of research staff	0

First Trust's equity approach stresses four elements of fundamental financial analysis: growth of earnings, growth of dividends, return on equity and the quality of management.

As of Jan. 1, the asset mix was 90% stocks, 6% bonds and 4% cash.

W. Peterson Nelson, executive vice president, is the chief investment officer; John A. Benson, senior vice president, is the client contact.

First Union National Bank

Suite 1200 First Union Plaza,
Charlotte, N.C. 28288; (704)
374-4302

Total assets mgd.	$1,100,000,000
Tax-exempt assets mgd:	
Total	$578,000,000
Fully discretionary	$578,000,000
Master trust assets	$45,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	513
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	7

First Union uses computer screens and fundamental analysis to identify good quality growth companies selling at below average price-earnings. For fixed income, it uses interest rate anticipation to achieve consistent, positive returns.

As of Jan. 1, the asset mix was 42% equities, 43% bonds, 15% cash.

Clients include Chanel Inc., Duke Power, Bank Marketing Association and ACME Electric.

William R. Hackney III, vice president and trust investment department director, is the chief investment officer; Peter R. Nagle, vice president of investment services marketing, is the client contact.

First Wisconsin National Bank of Madison

P.O. Box 7900, Madison, Wis. 53707;
(608) 252-4152

Total assets mgd.	$800,000,000
Tax-exempt assets mgd:	
Total	$400,000,000
Fully discretionary	$400,000,000
Master trust assets	$100,000,000
Master custodian assets	$500,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	686
Types of accounts mgd	CEF
No. of portfolio mgrs	6
Size of research staff	0

First Wisconsin National Bank of Madison targets growth stock in its equity strategy. For fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 45% stocks, 50% bonds and 5% cash.

Clients include Oscar Mayer, American Family Insurance and Briggs & Stratton.

John W. Thompson, first vice president, is the chief investment officer; John C. Maynard, trust officer, is the client contact.

First Wisconsin Trust Co.

777 E. Wisconsin Ave., P.O. Box
2054, Milwaukee, Wis. 53201; (414)
765-5000

Total assets mgd.	$1,890,000,000
Tax-exempt assets mgd:	
Total	$962,000,000
Fully discretionary	$962,000,000
Master trust assets	$1,270,000,000
Master custodian assets	$679,000,000
Real estate assets mgd	$39,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	681
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	7

First Wisconsin Trust's equity approach is to buy stocks that have high relative earnings on a six- to 18-month horizon as the economy moves through the different stages of each economic cycle. Its cash reserves for fixed income range between 0% and 50%. Average weighted maturities range between two and eight years.

As of Jan. 1, the asset mix was 55% stocks, 34% bonds, 10% cash and 1% equity real estate.

Clients include Champion Spark Plug, Briggs & Stratton Corp., Western Publishing Co., Wisconsin Power & Light and The Bell Systems.

Willard L. Wheeler, first vice president, is the chief investment officer; A. Paul Jones, vice president, is the client contact.

Fischer, Francis, Trees & Watts Inc.

717 Fifth Ave., New York, N.Y. 10022;
(212) 350-8050

Total assets mgd.	$3,000,000,000
Tax-exempt assets mgd:	
Total	$2,000,000,000
Fully discretionary	$2,000,000,000
Minimum separate account	na
Tax-exempt clients	24
Types of accounts mgd	CEFG
No. of portfolio mgrs	12
Size of research staff	0

Fischer, Francis, Trees & Watts is a fixed income specialist. The firm uses active adjustment of the portfolio's exposure to secure price changes consistent with the portfolio's return objectives and risk tolerance and in accordance with the firm's interest rate outlook.

As of Jan. 1, the asset mix was 100% in fixed income.

Richard G. Fischer, president, is the chief investment officer; John H. Watts, chairman of the board, is the client contact.

Fiske Capital Management

Mutual Bank Building, 8 Grove St.,
Suite 200, Wellesley, Mass. 02181;
(617) 237-0010

Total assets mgd.	$33,000,000
Tax-exempt assets mgd:	
Total	$26,000,000
Fully discretionary	$26,000,000
Minimum separate account	0
Tax-exempt clients	77
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	1

Fiske Capital specializes in mutual fund investing; it invests in no-load growth equity funds with high upside betas in rising equity markets. Money market funds are invested in when the equity markets are unfavorable.

As of Jan. 1, the asset mix was 90% in growth-equity funds and 10% in money market funds.

Clients include Arthur D. Little Inc., Federal Distillers Inc., Mutual Bank for Savings and INC Magazine.

Edwin F. Thrall, managing principal, is the chief investment officer and client contact.

Fleet National Bank

100 Westminster St., Providence, R.I.
02903; (401) 278-6616

Total assets mgd.	$2,400,000,000
Tax-exempt assets mgd:	
Total	$900,000,000
Fully discretionary	$220,000,000
Master custodian assets	$10,000,000
Minimum separate account	$300,000
Tax-exempt clients	150
Types of accounts mgd	CEFG
No. of portfolio mgrs	5
Size of research staff	4

A subsidiary of Fleet Financial Group, Fleet National Bank tries to identify companies whose growth potential and relative valuation make them attractive, given the firm's fundamental economic outlook and technical market appraisal. It tracks interest rate cycles and projects likely outlooks to extend or shorten maturities and switch between sectors.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds and 10% cash.

Clients include the city of Providence and the state of Rhode Island.

Harold A. MacKinney Jr., senior vice president, is the chief investment officer; Stephen R. Shirley, assistant vice president, is the client contact.

Florence Fearrington Inc.

90 Broad St., New York, N.Y. 10004;
(212) 480-9020

Total assets mgd.	$20,000,000
Tax-exempt assets mgd:	
Total	$3,000,000
Fully discretionary	$3,000,000
Minimum separate account	$500,000
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	0

Florence Fearrington Inc. is fully invested at all times, concentrating on reasonably priced securities where fundamental analysis indicates. It attempts to control erosion in bad markets rather than obtain maximum gains in good ones.

As of Jan. 1, the asset mix was 45% stocks, 50% bonds and 5% cash.

Florence Fearrington, president, is the chief investment officer and client contact.

Forstmann-Leff Associates Inc.

Park Avenue Plaza, 55 E. 52nd St.,
New York, N.Y. 10055; (212)
644-9888

Total assets mgd.	$4,152,000,000
Tax-exempt assets mgd:	
Total	$4,121,000,000
Fully discretionary	$4,000,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	115
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	6

Forstmann-Leff maintains a flexible approach to equity management, attempting to have significant participation in up markets and a defensive reallocation of capital assets to resist erosion in down markets. For fixed income, its approach emphasizes interest rate anticipation with restructuring of maturity distribution being the dominant technique.

As of Jan. 1, the asset mix was 65% stocks, 25% bonds and 10% cash.

Clients include Ashland Oil Inc., GTE, Honeywell Inc., Pfizer Inc. and Schlumberger Ltd..

J. Anthony Forstmann and Joel B. Leff, managing partners, are the chief

Forstman-Leff continues on 49

Managers using futures

Stock index	Fixed income
Aetna Life Insurance Co.	Albuquerque Capital Management
Albuquerque Capital Management	Amivest Corp.
Analytic Investment Management	BEA Associates Inc.
Burgess Capital Corp.	Burgess Capital Corp.
Capital Guardian Trust Co.	Capital Guardian Trust Co.
Capital Management Corp.	Capital Management Corp.
Chase Investors Management	Chase Investors Management
Citicorp	D.J. Investment Advisors
Convest Portfolio Consultants	DiBartolomeo & Co.
D.J. Investment Advisors	Eberstadt Asset Management Inc.
DeJarnette Investment Advisors	FJW Financial Management Inc.
DiBartolomeo & Co.	Fiduciary Trust Co. of New York
E.M.G. Advisors	Grace Capital Inc.
FJW Financial Management Inc.	HPB Trading Systems
First Asset Management	Harris Trust and Savings Bank
Gateway Investment Advisers Inc.	The Hartford Life Insurance Co.
Grace Capital Inc.	Hutchinson National Bank & Trust
HPB Trading Systems	Kennedy Associates
Hutchinson National Bank & Trust	Leland O'Brien Rubinstein
IDS Advisory Group	Lincoln Capital Management Co.
Institutional Portfolio Services	Lincoln National Life
KAMCO, Keeley Asset	Madison Investment Advisors Inc.
Kennedy Associates	Mallard, Brogdon & Associates
Leland O'Brien Rubinstein	Manufacturers Hanover Trust
Lincoln Capital Management Co.	Massachusetts Financial Services
MPT Associates	Merchants National Bank
Madison Investment Advisors Inc.	Morgan Guaranty Trust Co.
William Mason & Co. Inc.	NWNL Investment Services Corp.
R. Meeder & Associates Inc.	The Northern Trust Co.
Merchants National Bank	Pacific Investment Management
The Northern Trust Co.	Security Asset Management Inc.
Security Pacific Corp.	Security Pacific Corp.
Seward Corp.	Seward Corp.
Smith Breeden Associates	Smith Breeden Associates
Gregory L. Smith & Sons Inc.	Gregory L. Smith & Sons.
Herbert R. Smith Inc.	Southeastern Asset Management
State Street Bank & Trust Co.	State Street Bank & Trust
Stuyvesant Capital Management	R.F. Thompson Inc.
R.F. Thompson Inc.	The Union Labor Life Insurance
Wells Fargo	Ward & Wissner Capital

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Profiles continued from page 48

investment officers; Peter A. Lusk, vice president and director of marketing and J. Richard Walton, vice president, are the client contacts.

Forstmann-Leff-Degnan, Fixed Income Management

45 N. Broad St., Ridgewood, N.J.
07450; (201) 445-4970

Total assets mgd.	$387,000,000
Tax-exempt assets mgd:	
Total	$387,000,000
Fully discretionary	$387,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	10
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	0
Size of research staff	0

Forstmann-Leff-Degnan, a fixed-income manager, attempts to preserve capital and generate reasonable and consistent investment returns during an entire interest rate cycle.

As of Jan. 1, the asset mix was 100% in cash.

Clients include Kennecott Corp., Standard Oil of California, Warner-Lambert Co. and the United Mine Workers of America.

James K. Degnan and Douglas R. Gillespie, managing partners, are the chief investment officers and client contacts.

Fort Hill Investors Management Corp.

One McKinley Square, Boston, Mass.
02109; (617) 723-6500

Total assets mgd.	$457,000,000
Tax-exempt assets mgd:	
Total	$375,000,000
Fully discretionary	$370,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	96
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	1

Fort Hill Investors considers itself a low risk opportunist. Its equity investment philosophy is based on the concept of preservation of capital and achievement of reasonable returns over time. Fixed-income investment decisions are based on inflation and interest rate forecasts.

As of Jan. 1, the asset mix was 55% stocks, 36% bonds and 9% cash.

Clients include ABC Corp., TWA and the College of William and Mary.

William D. Benjes Jr., president and chairman of the investment committee, is the chief investment officer; Robert F. Croce, vice president, is the client contact.

Fourth National Bank & Trust Co.

100 N. Broadway, Wichita, Kan.
67202; (316) 261-4562

Total assets mgd.	$796,000,000
Tax-exempt assets mgd:	
Total	$482,000,000
Fully discretionary	$482,000,000
Master trust assets	$41,000,000
Minimum separate account	0
Tax-exempt clients	400
Types of accounts mgd	CEFG
No. of portfolio mgrs	7
Size of research staff	2

Fourth National's equity management is based on economic analysis and projection. From this, equity/cash allocations are made and the percentage commitment to economic sectors are determined. Finally, individual securities within these sectors are selected. Projections also are used to anticipate interest rate changes.

As of Jan. 1, the asset mix was 13% stocks, 71% bonds and 16% in miscellaneous investments including real estate, cash and insurance contracts.

Clients include the Kansas Public Employees' Retirement System, City of Wichita Employees' Retirement System, Beech Aircraft Co. and Cessna Aircraft Co.

Gary L. Gamm, executive vice president, is the chief investment officer; Marc A. Vincent, investment officer, is the client contact.

Fraser Management Associates

309 S. Willard St., Box 494,
Burlington, Vt. 05402; (802)
658-0322

Total assets mgd.	$35,000,000
Tax-exempt assets mgd:	
Total	$5,000,000
Fully discretionary	$5,000,000
Minimum separate account	$75,000
Tax-exempt clients	20
Types of accounts mgd	CE
No. of portfolio mgrs	3
Size of research staff	0

Fraser says it follows a "contrary opinion" strategy, buying unpopular stocks and selling stocks everyone else is buying.

It considers this primarily a value approach to investing.

As of Jan. 1, the asset mix was 90% stocks and 10% bonds.

James Fraser, president, is chief investment officer and client contact.

Froley, Revy Investment Co. Inc.

10889 Wilshire Blvd., Suite 955, Los
Angeles, Calif. 90024; (213)
208-4938

Total assets mgd.	$202,000,000
Tax-exempt assets mgd:	
Total	$175,000,000
Fully discretionary	$175,000,000
International assets mgd	$2,000,000
Minimum separate account	$500,000
Tax-exempt clients	30
Types of accounts mgd	CFG
No. of portfolio mgrs	4
Size of research staff	1

Froley, Revy takes a broadly diversified approach to equities and achieves high yields through the use of convertible securities.

As of Jan. 1, the asset mix was 60% stocks, 10% cash and 30% convertible securities.

Clients include Allied Corp., the Board of Pensions of the United Presbyterian Church, CBS Inc. and Gannett Co..

George A. Froley III, president, is the chief investment officer, and Thomas Revy, executive vice president, is the client contact.

Frontier Capital Management Co. Inc.

286 Congress St., Boston, Mass.
02210; (617) 426-8880

Total assets mgd.	$407,000,000
Tax-exempt assets mgd:	
Total	$377,000,000
Fully discretionary	$377,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	17
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	3

Frontier Capital attempts to identify the fastest growing sectors and invest in no more than 30 of the best positioned companies. It looks for earnings per share growth of two to three times that of the Standard & Poor's 500 index.

As of Jan. 1, the asset mix was 91% stocks, 1% bonds and 8% cash.

Clients include Alcoa, Hughes Aircraft, Getty Oil and Frank Russell Investment Co.

J. David Wimberly, president, is the chief investment officer and client contact.

Frost National Bank

P.O. Box 1600; San Antonio, Texas
78296; (512) 220-4965

Total assets mgd.	$908,000,000
Tax-exempt assets mgd:	
Total	$241,000,000
Fully discretionary	$128,000,000
Master trust assets	$6,000,000
Real estate assets mgd	$500,000
Minimum separate account	0
Tax-exempt clients	118
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	0

A subsidiary of Cullen-Frost Bankers Inc., Frost National takes a low value approach to equity investment using both price-earnings ratios and low price to book analyses. It is somewhat passive in its fixed-income management.

As of Jan. 1, the asset mix was 35% stocks, 30% bonds, 19% cash, 1% equity real estate, 7% GICs and 8% certificates of deposit.

Vernon D. Torgerson Jr., senior vice-president, is the chief investment officer; Andy Behrends, assistant vice president, is the client contact.

Funds Advisory Co.

Suite 4300, 333 Clay St., Houston,
Texas 77002; (713) 751-2400

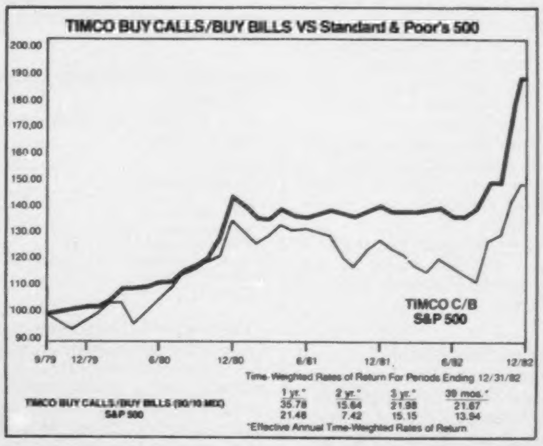
Total assets mgd.	$5,800,000,000
Tax-exempt assets mgd:	
Total	$3,900,000,000
Fully discretionary	$3,900,000,000

Funds Advisory continued on 50

THE INVESTMENT STRATEGY THAT PROTECTS YOU FROM THE BEAR, WHILE LETTING YOU RUN WITH THE BULLS.

Introducing The Travelers Buy Calls/Buy Bills Option Strategy.

It's one of a number of option strategies that TIMCO has developed since 1978. Simply, it allows a plan sponsor to participate in the common stock markets through the purchase of call options from a diversified list of 40-50 attractive securities. At the same time, the vast majority of the portfolio assets are invested in quality, short-term "riskless" securities. The objective is to profit in a bull market, and at least match the returns of the S&P 500 index in a flat market. At the same time, this strategy reduces overall volatility and protects against downside risks of a bear market.



TIMCO's Buy Calls/Buy Bills option strategy is as flexible as it is effective. Our investment specialists will work closely with you to determine your optimum level of call option participation—anywhere from five to 15 percent of the total portfolio assets.

TIMCO currently manages nearly $120 million under this strategy. Let us show you how our Buy Calls/Buy Bills Option Strategy can help meet your portfolio performance goals. Call or write: Thomas E. Keating, Executive Vice President, at (203) 277-7777.

TOTAL MONEY MANAGERS.

Stocks, Bonds, Direct Placements, Short-Term Securities, Real Estate, International, Options

The Travelers Investment Management Company (TIMCO)

One Tower Square
Hartford, Connecticut 06115

TheTravelers

Funds Advisory continued from 49

Minimum separate account	$10,000,000
Tax-exempt clients	75
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	11
Size of research staff	8

A subsidiary of Criterion Management Co., Funds Advisory Co. determines the attractiveness of stocks vs. cash equivalents along with identifying concepts and investment themes that will affect industry sectors and groups positively. "Portfolio Characterization" is a proprietary computer system designed to evaluate and monitor the risk/reward relationship of bonds and bond portfolios.

The firm did not provide an asset mix.

Clients include Tenneco, the state of Nevada, San Diego Gas & Electric and Singer Co.

Charles Miller, president, is the chief investment officer; Jeff Nichols and John Pipkin, managing directors, are the client contacts.

g

G.T. Capital Management Inc.

601 Montgomery St., Suite 1400, San Francisco, Calif. 94111; (415) 392-6181

Total assets mgd.	$1,877,000,000
Tax-exempt assets mgd:	
Total	$534,000,000
Fully discretionary	$534,000,000
International assets mgd	$534,000,000
Minimum separate account	$15,000,000
Tax-exempt clients	16
Types of accounts mgd	CEF
No. of portfolio mgrs	na
Size of research staff	na

G.T. Management Ltd., London, is the parent company. G.T. Capital is an international investment adviser.

Its investment philosophy of global growth investing combines a top-down approach to geographic asset allocation (growth economies) with a bottom-up approach to security selection (growth companies).

As of Jan. 1, the asset mix was 97% stocks and 3% cash.

Clients include Atlantic Richfield, Bechtel Power, GTE and Sun Co.

Richard C. Thornton, chief executive officer, is the chief investment officer; Robert J. Boyd, president, is the client contact.

GAMCO Investors Inc.

40 Wall St., New York, N.Y. 10005; (212) 943-4955

Total assets mgd.	$125,000,000
Tax-exempt assets mg	
Total	$95,000,000
Fully discretionary	$95,000,000
Minimum separate account	na
Tax-exempt clients	18
Types of accounts mgd	CEFJ
No. of portfolio mgrs	6
Size of research staff	3

GAMCO Investors seeks asset-rich companies selling at a fraction of real asset value.

As of Jan. 1, the asset mix was 90% stocks and 10% cash.

Clients include Honeywell Inc., Echlin Inc., Baker Industries and Southwestern Portland Cement.

Mario J. Gabelli, president, is the chief investment officer; Frederick A. Moran, president, is the client contact.

Gannett, Welsh, Ives & Kotler Inc.

10 Liberty Square, Boston, Mass. 02109; (617) 482-8900

Total assets mgd.	$156,000,000
Tax-exempt assets mgd:	
Total	$25,000,000
Fully discretionary	$24,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	22
Types of accounts mgd	CEF
No. of portfolio mgrs	4
Size of research staff	0

Gannett, Welsh, Ives & Kotler focuses on superior relative and absolute earnings progress for equity selection.

The firm's fixed-income approach uses interest rate anticipation.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include Bowditch & Dewey, Dolfin Corp., Haverhill Gas Co. and Hub Mail.

Jackson O. Walsh, president, is the chief investment officer; Kenneth A. Ives Jr. is the client contact.

Gardner and Preston Moss Inc.

One Winthrop Square, Boston, Mass. 02110; (617) 482-6500

Total assets mgd.	$1,580,000,000
Tax-exempt assets mgd:	
Total	$943,000,000
Fully discretionary	$918,000,000
Minimum separate account	$300,000
Tax-exempt clients	80
Types of accounts mgd	CEFG
No. of portfolio mgrs	17
Size of research staff	1

Gardner and Preston Moss focuses on consistent rate of return, preservation of capital and management of objectives for equities. When adverse conditions are anticipated, the firm does not hesitate to sell equity holdings.

The firm's fixed-income accounts have twin objectives—to protect principal and to provide a consistent rate of return. Preservation of assets is most important, risk is minimized. It also anticipates interest rate changes.

As of Jan. 1, the asset mix was 47% stocks, 40% bonds and 13% cash.

Clients include California State Employees' Association, Georgia Pacific, Museum of Fine Arts of Boston and Southern New England Telephone.

G. Kinnear Pash is the chief investment officer; Donna Polonski is the client contact.

Garrison, Keogh & Co. Inc.

250 Park Ave., New York, N.Y. 10177; (212) 557-7440

Total assets mgd.	$125,000,000
Tax-exempt assets mgd:	
Total	$102,000,000
Fully discretionary	$102,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	24
Types of accounts mgd	CEFJ
No. of portfolio mgrs	3
Size of research staff	0

Garrison, Keogh & Co. relies strongly on fundamental analysis for stock selection that usually includes company and industry contact. Also employed are technical and momentum studies to determine relative value and risk factors. Equities are compared for optimal alternatives for relative total return.

For fixed-income, the firm considers macroecomonic indexes, technical analysis, supply/demand of securities and perceived changes in fiscal and monetary influences.

As of Jan. 1, the asset mix was 55% stocks, 35% cash, and 10% bonds.

Clients include ILGWU, Princeton Day School, Cowles Media Inc. and Jonathan Logan Co.

William G. Garrison, president, is the chief investment officer; William M. Carey, portfolio manager, is the client contact.

Gateway Investment Advisers Inc.

1120 Carew Tower, Cincinnati, Ohio 45202; (513) 621-7774

Total assets mgd.	$93,000,000
Tax-exempt assets mgd:	
Total	$38,000,000
Fully discretionary	$38,000,000
Minimum separate account	$500,000
Tax-exempt clients	23
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	0

Gateway Investment Advisers utilizes strict quantitative guidelines in the analysis of a large equity universe. The firm's approaches involve price momentum, earnings momentum and relative price-earnings.

For fixed-income the firm monitors closely the behavior of short-term interest rates. Significant momentum changes are quantifiable and ultimately will affect long-term rates, and thus determine maturity allocation.

As of Jan. 1, the asset mix was 80% stocks, 18% bonds, and 2% cash.

Clients include Armstrong Rubber, Baldwin-United Corp., U.S. Shoe, and the University of Cincinnati.

Walter G. Sall, president, is the chief investment officer; Peter W. Thayer, executive vice president, is the client contact.

General American Investors Co. Inc.

330 Madison Ave., New York, N.Y. 10017; (212) 949-2800

Total assets mgd.	$1,097,000,000
Tax-exempt assets mgd:	
Total	$875,000,000
Fully discretionary	$875,000,000
International assets mgd	$43,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	18
Types of accounts mgd	CEFG
No. of portfolio mgrs	1
Size of research staff	7

General American Investors Co.'s equity portfolios use a bottom-up approach and are managed with emphasis on individual stock selection based on fundamental research.

As of Jan. 1, the asset mix was 94% stocks and 6% cash.

Clients include GTE, AMAX Inc., Reynolds Metals and the University of Virginia.

Malcolm B. Smith, president, is the chief investment officer and the client contact.

General American Life Insurance Co.

700 Market St., St. Louis, Mo. 63101; (314) 231-1700

Total assets mgd.	$2,235,000,000
Tax-exempt assets mgd:	
Total	$802,000,000
Fully discretionary	0
Real estate assets mgd	$68,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	847
Types of accounts mgd	CGJ
No. of portfolio mgrs	4
Size of research staff	4

General American Life takes a top-down, fundamental approach to equities, using a macroeconomic forecast to pinpoint attractive industries from which superior performing companies are selected. The firm actively manages a high quality bond portfolio using conventional bond management techniques.

As of Jan. 1, the asset mix was 12% stocks, 39% bonds, 1% cash, 5% equity real estate and 43% mortgages.

Clients include Ozark Airlines, Anheuser-Busch, U.S. News & World Report and Michelin Tire.

William R. Mead, vice president and treasurer, is the chief investment officer; Ron Drury, vice president of pension investment sales, is the client contact.

Genesee Merchants Bank & Trust Co.

One E. First St., Flint, Mich. 48502; (313) 766-8371

Total assets mgd.	$300,000,000
Tax-exempt assets mgd:	
Total	$87,000,000
Fully discretionary	$80,000,000
Minimum separate account	$250,000
Tax-exempt clients	300
Types of accounts mgd	CF
No. of portfolio mgrs	4
Size of research staff	2

Genesee Merchants Bank & Trust Co.'s equity management approach is risk conscious and bottom-up. Elements of sector rotation, Graham & Dodd, market timing and qualitative analysis are combined to evaluate each current and potential investment.

The bank's fixed-income approach is passive, designed to limit risk. Within this framework interest rate anticipation and sector yield differentials are used to enhance total return.

As of Jan. 1, the asset mix was 55% stocks, 40% bonds and 5% cash.

Clients include United Michigan Corp. Pension Fund and Flint Osteopathic Hospital Pension Fund and Michigan Laborers Union Pension and St. Joseph's Hospital Pension Fund.

Carl A. Pohly, vice president, is the chief investment officer; J. Antonio Rosa is the client contact.

GeoCapital Investment Management

655 Madison Ave., New York, N.Y. 10021; (212) 935-0111

Total assets mgd.	$100,000,000

GeoCapital continued on page 51

Managers using options

Aetna Life Insurance Co.
AIM Capital Management Inc.
Albuquerque Capital Management
Alexander, Scriver and Associates
American Fletcher National Bank
Analytic Investment Management
Argus Investors' Counsel Inc.
Atalanta/Sosnoff Capital Corp.
Ballard, Biehl & Kaiser Inc.
Balch, Hardy & Scheinman Inc.
Bankers Trust Co.
Bank of New York
Bank of Oklahoma
Bank of the Southwest
BEA Associates Inc.
P.E. Becker Inc.
Sanford C. Bernstein & Co. Inc.
The Boston Co.
Alexander Brown & Sons
Brown Bros., Harriman & Co.
Burgess Capital Corp.
CFB Advisory Corp.
C&S Investment Counseling
C-S Capital Advisors Inc.
California First Capital
Capital Consultants Inc.
Capitoline Investment
Centerre Trust Co. of St. Louis
The Central Trust Co.
Century Capital Associates
Chase Investment Counsel Corp.
Chase Investors
Chelsea Management Co.
Chemical Bank
Citicorp
Citizens Fidelity Bank & Trust Co.
City Trust Services
Cleveland Management Inc.
Clutinger, Williams & Verhoye Inc.
Comerica Bank-Detroit
Commerce Union Bank
The Connecticut Bank & Trust
Convest Portfolio Consultants
Crocker Investment Management
Cumberland Advisors
D.J. Investment Advisors
Dearden, Maguire & Weaver Inc.
DeJarnette Investment Advisors
DiBartolomeo & Co.
Discount Corporation of New York
Eaton & Howard, Vance Sanders
Dale K. Ehrhart Inc.
Estabrook Capital Management
FJW Financial Management Inc.
The Fidelity Bank
Fiduciary Counsel Inc.
Fiduciary Management Associates
Fielding Management Co. Inc.
The Fifth Third Bank
First and Merchants National Bank
First Asset Management
First Interstate Bank-Washington
First Investment Management
First National Bank-Chicago
First Tennessee Investment
First Union National Bank
Fischer, Francis, Trees & Watts
Frost National Bank
Garrison, Keogh & Co. Inc.
Gateway Investment Advisers Inc.
Grace Capital Inc.
Gradison & Co. Inc.
Greater Boston Realty Advisors
The Great West Life Assurance
HPB Trading Systems
HT Investors Inc.
Harris Associates Inc.
The Hartford Life Insurance Co.
Hellman, Jordan Management
Hodgson Roberton Laing Ltd.
T.J. Holt & Co. Inc.
Hutchinson National Bank & Trust
The Illinois Co. Inc.
Indiana National Bank
Institutional Capital Corp.
Institutional Portfolio Services
InterFirst Bank Dallas
Investment and Capital
The Investment Counsel Co.
Jamison, Munsch & Smith
Jenswold, King & Associates
Johnson Investment Counsel Inc.
KAMCO, Keeley Asset
Kemper Financial Services
Kennedy Associates
Thomas D. Kienlen Corp.
Knowles & Armstrong Inc.
Kreger Capital Management
Leland O'Brien Rubinstein
Lexington Management Corp.
Lincoln First Bank
Loomis, Sayles & Co. Inc.
MH/Edie Investment
MPACT Securities
MacKay-Shields Financial Corp.
Madison Investment Advisors Inc.
Mallard, Brogdon & Associates
Manufacturers Hanover Trust Co.
Markston International Inc.
William Mason & Co. Inc.
McCowan Associates Inc.
McDowell National Bank
R. Meeder & Associates Inc.
Mercantile Safe Deposit & Trust
Merchants Investment Counseling
Merrill Lynch Asset Management
Midlantic National Bank
Minton/Newbold's Capital
Mitchell Hutchins Investment
Monarch Investment Management
Montag & Caldwell Inc.
Muhlenkamp and Co. Inc.
Muller Asset Management
Multinational Investments Inc.
N C Capital Management Group
NCNB National Bank
National Bank of Detroit
National Health & Welfare Mutual
National Investment Services
Noddings, Calamos & Associates
The Northern Trust Co.
Northwest Quadrant Inc.
Oakwood Counselor Inc.
Olson Mobeck & Associates Inc.
Olympic Capital Management Inc.
Oppenheimer Capital Corp.
Pacific Investment Management
Pension Portfolio Advisors
Phoenix Mutual Life Insurance
T. Rowe Price Associates Inc.
Provident Capital Management
The Putnam Advisory Co.
QC-Investor Services Inc.
Rainier National Bank
Ramsay & Ellsworth Inc.
Redwood Capital Management
The Reiser Co.
RepublicBank Dallas
Research Management
Richfield Bank & Trust
Edward C. Rorer & Co. Inc.
L.F. Rothschild Asset
Rothschild Securities Corp.
M.D. Sass Investors Services Inc.
Schroder Capital Management
Scudder, Stevens & Clark
Second National Bank of Warren
Security Pacific Corp.
Security Trust Co. of Rochester
Seward Corp.
Shearson/American Express
Smith Breeden Associates
Gregory L. Smith & Sons Inc.
Southeastern Asset Management
The Spangler Group
Stamford Advisors II
Standish, Ayer & Wood Inc.
Stein Roe & Farnham
Stonebridge Capital Management
Sun Bank
Tamarack Associates
Third National Bank
R.F. Thompson Inc.
Todd Investment Advisors
Trascott, Alyson, Craig Inc.
The Travelers Insurance Co.
Trevor Stewart Burton & Jacobsen
Trident Investment Management
Trust Co. Bank
Trust Co. of the West
Tucker Anthony Management
Unified Management Corp.
Union Planters National Bank
Valley National Bank of Arizona
Virginia Investment Counselors
Virginia National Bank
Wachovia Bank & Trust Co.
Ward & Wisner Capital
Webster Management Corp.
Wilmington Trust Co.
John R. Wilson
Wood, Struthers & Winthrop

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GeoCapital continued from page 50

Tax-exempt assets mgd:	
Total	$37,000,000
Fully discretionary	$37,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	6
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	0

GeoCapital Investment divides portfolios between high technological/high growth, primarily smaller capitalization securities and intrinsic value situations where it anticipates a corporate event to bring out values.

As of Jan. 1, the asset mix was 64% stocks, 34% bonds and 2% cash.

Clients include School of American Ballet, Hebrew Arts School, GTE and Safeguard Industries.

Irwin Lieber, president, is the chief investment officer; Barry Fingerhut, senior vice president, is the client contact.

Girard Bank

1 Girard Plaza, Philadelphia, Pa.
19101; (215) 585-2000

Total assets mgd.	$7,003,000,000
Tax-exempt assets mgd:	
Total	$1,488,000,000
Fully discretionary	$1,488,000,000
Master trust assets	$600,000,000
Real estate assets mgd	$70,000,000
International assets mgd	$4,000,000
Minimum separate account	$500,000
Tax-exempt clients	45
Types of accounts mgd	CEFG
No. of portfolio mgrs	7
Size of research staff	9

For equities, Girard Bank uses industry allocation, overweight/underweight industries and stock selection with highest probable appreciation within six to 12 months.

In fixed income, the bank uses economic cycle analysis, interest rate and yield curve forecasts, scenario analysis and credit research. Interest rate changes help the bank decide maturity structure adjustments.

As of Jan. 1, the asset mix was 60% bonds, 22% stocks and 18% cash.

Clients include Betz Laboratories, National Fruit Product Co. and Keystone Portland Cement Co.

Charles E. Coqueron, senior vice president, is the chief investment officer; Janet Wigoff, pension trust officer, is the client contact.

Gofen and Glossberg Inc.

401 N. Michigan Ave., Chicago, Ill.
60611; (312) 828-1100

Total assets mgd.	$1,200,000,000
Tax-exempt assets mgd:	
Total	$200,000,000
Fully discretionary	$150,000,000
Minimum separate account	$250,000,000
Tax-exempt clients	100
Types of accounts mgd	CEFG
No. of portfolio mgrs	7
Size of research staff	0

Gofen and Glossberg stresses total return concepts with valuation techniques emphasizing multiple valuation related to anticipated growth values.

For fixed income, the firm uses interest rate anticipation.

As of Jan. 1, the asset mix was 50% bonds, 40% stocks and 10% cash.

Carl X. Elvove is the chief investment officer; Mark R. Goodman is the client contact.

Grace Capital Inc.

30 Broad St., New York, N.Y. 10004;
(212) 635-0610

Total assets mgd.	$116,000,000
Tax-exempt assets mgd:	
Total	$108,000,000
Fully discretionary	$96,000,000
Minimum separate account	0
Tax-exempt clients	120
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	4

Grace Capital uses an "eclectic" approach for its equities, and stresses the need to be flexible and the ability to shift quickly when conditions warrant.

The firm's fixed-income approach involves a computerized market timing of U.S. government bonds. Hedging devices include options, stock index futures and fixed-income futures.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds and 10% cash.

Clients include Abe Schrader Corp., American Computer Sales & Leasing Inc., commonwealth of Kentucky and Retirement Fund of the Fur Manufacturing Industry.

H. David Grace, president, is the chief investment officer; Andrew M. Batkin, vice president, is the client contact.

Gradison & Co. Inc.

580 Building, Plaza Level, Cincinnati,
Ohio 45202; (513) 579-5864

Total assets mgd.	$58,000,000
Tax-exempt assets mgd:	
Total	$27,000,000
Fully discretionary	$22,000,000
Minimum separate account	$100,000
Tax-exempt clients	30
Types of accounts mgd	CFG
No. of portfolio mgrs	2
Size of research staff	2

Gradison & Co. has a disciplined approach, oriented towards growth and value, for equities. The firm's fixed-income focus is passive. It uses options.

As of Jan. 1, the asset mix was 65% stocks, 25% bonds and 10% cash.

William J. Leugers, senior vice president, is the chief investment officer; Alfred M. Brunner and Daniel R. Shick are the client contacts.

Granahan-Everitt Investments Inc.

303 Wyman St., Waltham, Mass.
02154; (617) 890-4412

Total assets mgd.	$48,000,000
Tax-exempt assets mgd:	
Total	$38,000,000
Fully discretionary	$38,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	184
Types of accounts mgd	CEF
No. of portfolio mgrs	1
Size of research staff	3

Granahan-Everitt Investments Co. uses growth-oriented equity investment management with particular emphasis on industries and companies with high technology content. The firm's equity approach is towards growth and emerging growth stock.

As of Jan. 1, the asset mix was 78% stocks and 22% cash.

Clients include New York City Teachers' Retirement Fund, Scottish Investment Fund and Estee Lauder.

John J. Granahan, president, is the chief investment officer; Bruce W. Everitt, chairman, is the client contact.

Granite State Corp.

305 E. 46th St., New York, N.Y.
10017; (212) 838-9620

Total assets mgd.	$94,000,000
Tax-exempt assets mgd:	
Total	$2,000,000
Fully discretionary	$2,000,000
International assets mgd	$1,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	3
Types of accounts mgd	CE
No. of portfolio mgrs	3
Size of research staff	na

Granite State Corp. maintains a flexible portfolio policy for equities and is opportunistic.

The firm's fixed-income approach is to monitor and analyze Federal Reserve activity and its impact on the markets by way of proprietary liquidity indexes.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Robert P. Youngman, president, is chief investment officer; Richard R. Peffenbach is client contact.

Grantham, Mayo, Van Otterloo & Co.

125 High St., Boston, Mass. 02110;
(617) 542-6432

Total assets mgd.	$532,000,000
Tax-exempt assets mgd:	
Total	$422,000,000
Fully discretionary	$422,000,000
International assets mgd	$35,000,000
Minimum separate account	na
Tax-exempt clients	20
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	3

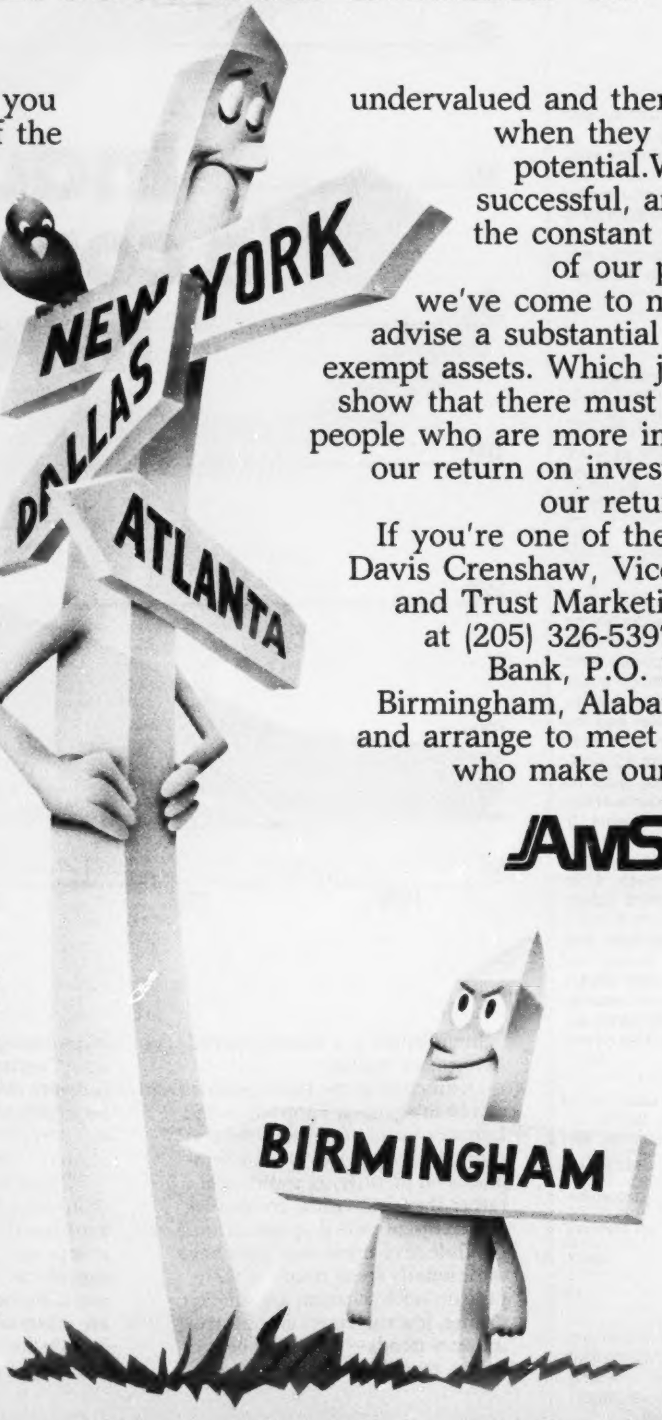
Grantham, Mayo, Van Otterloo & Co. handles equities using sector rotation and Graham & Dodd techniques, and focusing on low price-earnings and growth stocks.

As of Jan. 1, the asset mix was 79% stocks, 19% bonds and 2% cash.

Clients include American Can, Amherst College, Interlake Steel and Corning Glass.

The partners are chief investment officers; K. Durant, partner, is client contact.

Profiles continued on page 52



WE'VE SAID IT BEFORE, AND WE'LL SAY IT AGAIN... "IT'S ABOUT TIME INVESTMENT MANAGERS WERE JUDGED ON THEIR SUCCESSES INSTEAD OF THEIR ADDRESSES..."

Our point is simply that you don't have to work in one of the nation's money centers to manage equity capital well. We're AmSouth Bank N.A., formerly The First National Bank of Birmingham. We're not situated in a hub, yet for years we've consistently outperformed industry standards.

For example, the 10, 5, 3 and 1 year annualized, total returns through year-end 1982 for our equity fund are 12.4%, 18.8%, 24.8% and 47.4%. Compare these figures with 6.7%, 14.1%, 15.2% and 21.5% for S&P 500 parallel period results. Add to that, 8 consecutive years of positive equity performance!

You ask, "How can a bank — yes, a bank trust department located outside the money centers — achieve this level of results on an on-going basis?" The answer is that it's still philosophy and process that makes for investment success, not geography.

Artfully practiced, our approach is sound regardless of site. Simply stated, we buy stocks that are undervalued and then sell them when they reach their potential. We've been successful, and through the constant application of our philosophy, we've come to manage and advise a substantial amount of exempt assets. Which just goes to show that there must be a lot of people who are more interested in our return on investment than our return address.

If you're one of them, contact Davis Crenshaw, Vice President and Trust Marketing Officer, at (205) 326-5397, AmSouth Bank, P.O. Box 11426, Birmingham, Alabama, 35202, and arrange to meet the people who make our decisions.

AMSOUTH

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Profiles continued from page 51

R.W. Graybill Ltd.

206 No. York, Elmhurst, Ill. 60126;
(312) 941-9460

Total assets mgd.	$24,000,000
Tax-exempt assets mgd:	
Total	$12,000,000
Fully discretionary	$12,000,000
Minimum separate account	$200,000
Tax-exempt clients	20
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	0

R.W. Graybill Ltd.'s equity accounts are capital-gains oriented, but include a sector of high yielding securities to reduce portfolio volatility and provide a high total return.

The firm's fixed-income approach is short-term ladders of 10 years.

As of Jan. 1, the asset mix was 50% stocks, 30% bonds and 20% cash.

Clients include P.R. Orthopedic Surgeons, M. Container Corp., S. Sausage Co. and W. Medical Complex Ltd.

R.W. Graybill, president, is the chief investment officer and the client contact.

Greater Boston Realty Advisors Inc.

45 School St., Old City Hall, Boston,
Mass. 02108; (617) 227-7915

Total assets mgd.	$22,000,000
Tax-exempt assets mgd:	
Total	$22,000,000
Fully discretionary	0
Real estate assets mgd	$22,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	2
Types of accounts mgd	J
No. of portfolio mgrs	2
Size of research staff	0

Greater Boston Realty Advisors Inc. is a real estate investment subsidiary of Greater Boston Group Inc.

As of Jan. 1, the asset mix was 100% equity real estate.

Clients include Florida Affirmative Investment Roundtable and Operating Engineers Local 675 Pension Fund.

Denison M. Hall, president, is the chief investment officer and the client contact.

The Great West Life Assurance Co.

60 Osborne St. North, Winnepeg,
Manitoba R3C 3A5; (204) 946-7754

Total assets mgd.	$6,900,000,000
Tax-exempt assets mgd:	
Total	$1,060,000,000
Fully discretionary	$850,000,000
Real estate assets mgd	$600,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	na
Types of accounts mgd	CGJ
No. of portfolio mgrs	22
Size of research staff	72

The Great West Life Assurance Co. reduces risk in its equity accounts by using a passive approach combined with timing asset mix decisions and using real estate as a common stock substitute. For fixed income, it invests in high-yielding commercial and industrial mortgages selected by a controlled underwriting process for one-half to one-third of the total fixed income portfolio; the remainder is in actively managed bond investments. It uses options for some portfolios.

As of Jan. 1, the asset mix was 30% stocks, 20% bonds, 5% cash, 15% equity real estate and 30% mortgages.

Clients include Pratt & Whitney and Union Oil of Canada.

J.R. Crysdale, senior vice president-investments, is the chief investment officer; G.N. Coopland, director-pension investments, is the client contact.

David J. Greene and Co.

30 Wall St., New York, N.Y. 10005;
(212) 344-5180

Total assets mgd.	$637,000,000
Tax-exempt assets mgd:	
Total	$471,000,000
Fully discretionary	$466,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	105
Types of accounts mgd	CFGJ
No. of portfolio mgrs	5
Size of research staff	11

David J. Greene and Co.'s equities are purchased on a fundamental basis with emphasis placed on strong balance sheets, low price valuations and potential earnings power.

As of Jan. 1, the asset mix was 72% stocks and 28% cash.

Clients include General Mills, Mountain States Bell, Time and J.P. Stevens.

Alan I. Greene is the chief investment officer; Allan D. Sutton is the client contact.

Grubb & Ellis Co.

1333 Broadway, Oakland, Calif.
94512; (415) 839-9600

Total assets mgd.	$300,000,000
Tax-exempt assets mgd:	
Total	$80,000,000
Fully discretionary	0
Real estate assets mgd	$300,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	3
Types of accounts mgd	FGJ
No. of portfolio mgrs	12
Size of research staff	4

Grubb & Ellis Co. focuses on buying existing, well-located, fully leased office, industrial and shopping center projects with current high cash-on-cash yields in the West and Southwest.

As of Jan. 1, the asset mix was 50% equity real estate and 50% participating mortgages.

Clients include San Bernardino County Employees Retirement Association, California Development Foundation, the San Diego Electrical Pension and Kern County Employees Retirement Association.

John S. French, president, real estate services group, is the chief investment officer; Terry P. Noyer, senior vice president, is the client contact.

Gulf Investment Management Inc.

1300 Main St., Suite 1709, Houston,
Texas 77002; (713) 757-9781

Total assets mgd.	$25,000,000
Tax-exempt assets mgd:	
Total	$3,000,000
Fully discretionary	$3,000,000
Minimum separate account	$500,000
Tax-exempt clients	5
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	1

Gulf Investment Management, a subsidiary of Chemical New York Corp., invests in stocks generally overlooked by others. To accomplish this, the firm follows the practice of value-oriented investment disciplines, including a sell discipline designed to limit losses.

As of Jan. 1, the asset mix was 85% stocks, 10% bonds and 5% cash.

Thomas G. Macrini, president, is the chief investment officer; T. Charles Toomey, vice president, is the client contact.

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HPB Trading Systems

327 S. LaSalle St., Chicago, Ill. 60604;
(312) 630-6390

Total assets mgd.	$40,000,000

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HPB continued from page 52

Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	0
Minimum separate account	$1,000,000
Tax-exempt clients	18
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	2
Size of research staff	3

HPB for equities uses a defensive strategy and utilizes market timing, stock index futures and options.

The firm's fixed-income approach is based basically on market timing techniques.

As of Jan. 1, the asset mix was 65% in stocks, 30% in bonds and 5% in cash.

H. Philip Becker, president, is the chief investment officer and the client contact.

HT Investors Inc.

One Hospital Trust Plaza,
Providence, R.I. 02903; (401)
278-7700

Total assets mgd.	$775,000,000
Tax-exempt assets mgd:	
Total	$775,000,000
Fully discretionary	$662,000,000
Real estate assets mgd	$4,000,000
International assets mgd	$1,700,000
Minimum separate account	$1,000,000
Tax-exempt clients	130
Types of accounts mgd	CEFG
No. of portfolio mgrs	7
Size of research staff	0

For equities, HT Investors uses a relative valuation toward growth stock investing. The firm's fixed-income approach is active, emphasizing the intermediate sector. It uses options.

As of Jan. 1, the asset mix was 65% stocks and 35% bonds.

Clients include Textron.

Henry M. Greenleaf Jr., president, chief investment officer; David J. Mulanaphy, vice president, is the client contact.

Hambrecht & Quist Equity Management

235 Montgomery St., San Francisco,
Calif. 94104; (415) 986-5115

Total assets mgd.	$35,000,000
Tax-exempt assets mgd:	
Total	$34,000,000
Fully discretionary	$34,000,000
Minimum separate account	$500,000
Tax-exempt clients	5
Types of accounts mgd	CG
No. of portfolio mgrs	2
Size of research staff	2

Hambrecht & Quist Equity Management focuses exclusively on smaller capitalization, high growth, publicly traded technology equities, leveraging technology capabilities through experienced portfolio managers/analysts for a limited number of institutional clients. It diversifies across technology industries, maintaining high growth and quality standards.

As of Jan. 1, the asset mix was 90% stocks and 10% cash.

The firm's clients include MCI Telecommunication, Conoco Inc., General Signal Corp. and the state of Maryland.

Michael T. Jackson and Albert L. Toney Jr. are the chief investment officers; Helen Blanchard is the client contact.

John Hancock Mutual Life Insurance Co.

P.O. Box 111 John Hancock Place,
Boston, Mass. 02117; (617)
421-6000

Total assets mgd.	$21,711,000,00
Tax-exempt assets mgd:	
Total	$11,057,000,00
Fully discretionary	$10,868,000,00
Real estate assets mgd	$727,000,00
Minimum separate account	$10,000,00
Tax-exempt clients	2,00
Types of accounts mgd	C
No. of portfolio mgrs	
Size of research staff	

John Hancock's separate pension accounts are handled by Independence Investment Associates. For equities, active qualitative management integrates fundamental research with multiple-factor valuation. For fixed income, the firm has technical expertise and the quantitative capability to structure uniquely designed bond portfolios.

As of Jan. 1 the asset mix was 46% bonds, 23% equity real estate, 17% stocks, 11% mortgages and 3% cash.

Clients include the City of Detroit, Kellogg, Shell Oil and Stop & Shop.

Lewis Kleinrock, president of Independence Investment Associates, is the chief investment officer; Michael B. O'Toole is the client contact.

Harris Associates Inc.

120 S. LaSalle St., Chicago, Ill. 60603;
(312) 621-0600

Total assets mgd.	$311,000,00
Tax-exempt assets mgd:	
Total	$276,000,00
Fully discretionary	$276,000,00
Minimum separate account	$1,000,00
Tax-exempt clients	70
Types of accounts mgd	CEFG
No. of portfolio mgrs	
Size of research staff	

For equities, Harris Associates Inc. invests in companies that are selling below their true worth in terms of asset value or going concern value as measured by earnings growth and underlying assets.

The firm's fixed-income approach anticipates interest rate movements, which translates to a passive portfolio.

As of Jan. 1, the asset mix was 63% stocks, 23% bonds and 14% cash.

Clients include the state of Oregon, Texaco, RCB Group Equity Trust and Federated Department Stores.

Myron Szold, Roger Brown and Ralph Wanger Jr. are the chief investment officers; Earl J. Rusnak Jr. is the client contact.

Harris, Bretall, McEldowney & Sullivan Inc.

44 Montgomery St., Suite 3985, San
Francisco, Calif. 94104;
(415) 391-8040

Total assets mgd.	$305,000,000
Tax-exempt assets mgd:	
Total	$300,000,000
Fully discretionary	$300,000,000
Real estate assets mgd	0
Minimum separate account	$5,000,000
Tax-exempt clients	30
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	5

Harris Bretall focuses its equity approach on superior returns at low levels of volatility, asset allocation, market timing and sector rotation.

The firm's fixed-income approach is based on total return and interest rate anticipation.

As of Jan. 1, the asset mix was 55% stocks, 30% cash and 15% bonds.

Clients include the state of Delaware, GATX, the city of San Jose and INCO.

John Sullivan, partner, is the client contact.

Harris Trust and Savings Bank

111 W. Monroe St., Chicago, Ill.
60690; (312) 461-2121

Total assets mgd.	$12,584,000,000
Tax-exempt assets mgd:	
Total	$6,748,000,000
Fully discretionary	$5,951,000,000
Master trust assets	$15,500,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	191
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	18
Size of research staff	13

Harris Trust and Savings Bank's

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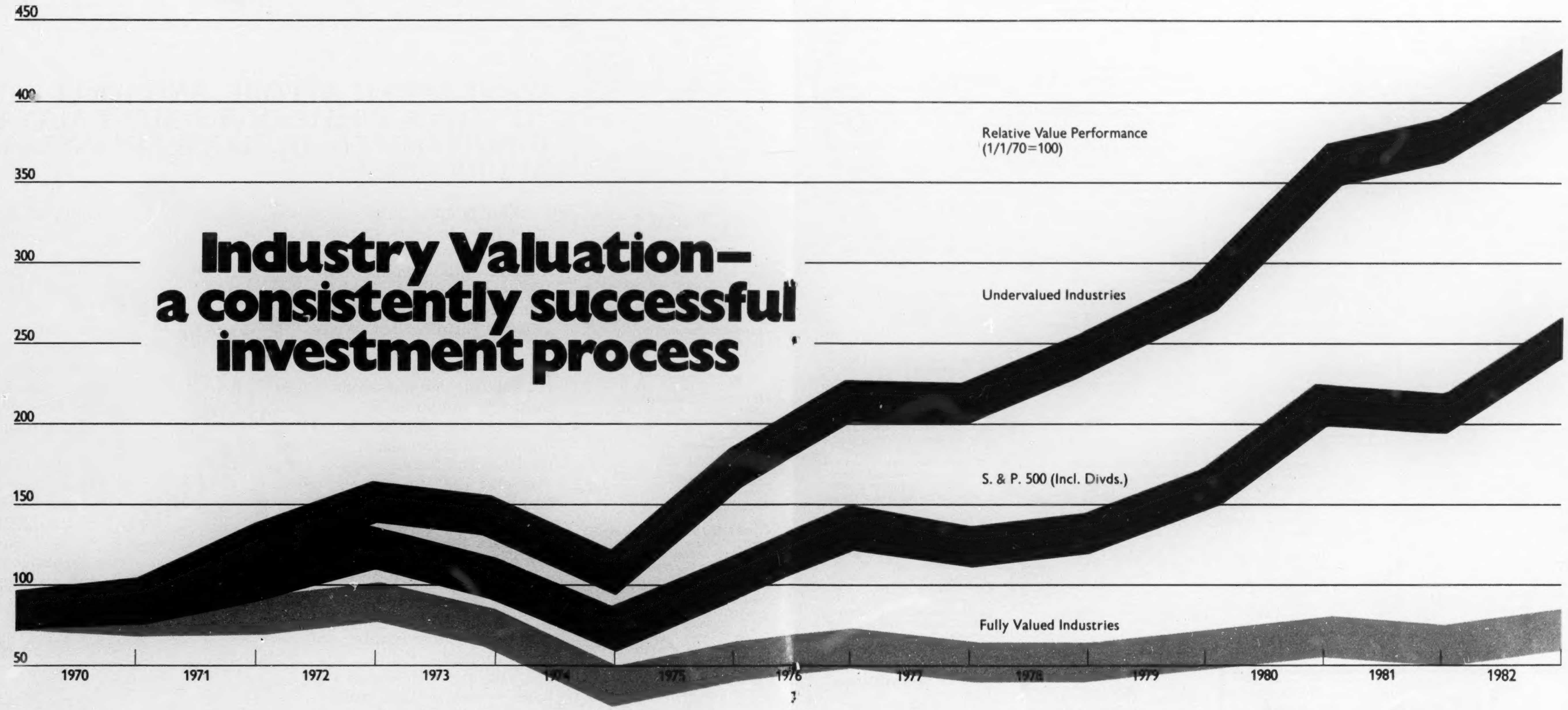

Industry Valuation—a consistently successful investment process

InterCapital is a sector-oriented investment manager.

Distinctive to the InterCapital equity investment approach is our Industry Valuation discipline—a process which places primary emphasis on identifying industries, rather than individual companies, to maximize capital appreciation.

While investment managers have traditionally spent much of their time on stock selection and market timing, few managers emphasize industry trends—which we believe to be a more measurable and predictive investment discipline. InterCapital studies indicate that industry price movements account for approximately 46% of a typical company's price movement relative to the market.

The Industry Valuation process monitors sales, earnings, and market valuations for 60 industry groups and identifies those that are considered attractive for investment. Records for these industries are maintained and ranges are established in which variations in industry price-earnings multiples relative to the S&P 500 are considered normal. Based on our forecasts of aggregate industry earnings, an industry is considered to be undervalued, moderately valued or fully valued depending on whether its relative price-earnings multiple is below, within or above its normalized range.

Theoretical backtesting of the Industry Valuation approach (see chart) since 1970 has shown unusually consistent results with undervalued industries reflecting superior performance during the volatile market environment of the past 13 years. Equally important, fully valued industries have materially underperformed the market.

For further information regarding our Industry Valuation process, please contact Steven W. Golann, Senior Vice President, (212) 938-4585.

Industry Valuation Assumptions

1. Group performance is based on equal hypothetical investments in each industry at the start of each quarter (starting in 1975 and at the beginning of each year before that) and excludes transactions costs. It assumes that all securities in any industry which was no longer undervalued at the start of the measuring period were eliminated from the portfolio at the end of the prior period.
2. Industry price performance is based on price changes for all the companies in each group, weighted by their market capitalization.
3. Performance data prior to 1975 are based on simulation of the valuation methodology and not on actual earnings forecasts for those years.

DEAN WITTER REYNOLDS INC.
InterCapital Division One World Trade Center, New York, N.Y. 10048 (212)938-4500

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equity approach is based on issue selection, sector identification and varying exposure to cash in recognition of the value of common stocks relative to the yield available in cash equivalents.

The bank's fixed-income approach emphasizes economic forecasting and interest rate anticipation. Three techniques used are maturity timing, sector analysis and credit research.

As of Jan. 1, the asset mix was 43% bonds, 33% cash and 24% stocks.

William S. Gray III, senior vice president, is the chief investment officer; Francis T. Stack, assistant vice president, is the client contact.

The Hartford Life Insurance Co.

Hartford Plaza, Hartford, Conn.
06115; (203) 547-5000

Total assets mgd.	$1,099,000,000
Tax-exempt assets mgd:	
Total	$749,000,000
Fully discretionary	$749,000,000
Real estate assets mgd	$23,000,000
Minimum separate account	na
Tax-exempt clients	1,676
Types of accounts mgd	CGJ
No. of portfolio mgrs	7
Size of research staff	5

Hartford Life's equity approach is based on optimal portfolio structuring by sector, industry and company and continuous recomposing to achieve return-risk objectives.

Its fixed-income approach anticipates the level and shape of the yield curve, and changes in maturity and quality spreads; creditworthiness and marketability of the instruments employed are also studied.

As of Jan. 1, the asset mix was 74% bonds, 13% stocks, 7% cash equivalents, 5% mortgages and 1% equity real estate.

Clients include the city of Orlando, Fla., YKK Industries, the Jacuzzi Corp. and Caesars World.

William M. Griffin, vice president and chairman of the finance committee, is the chief investment officer; Charles A. Clinton, director of group pension sales, is the client contact.

Hellman, Jordan Management Co. Inc.

50 Milk St., Boston, Mass. 02109;
(617) 482-1777

Total assets mgd.	$480,000,000
Tax-exempt assets mgd:	
Total	$404,000,000
Fully discretionary	$404,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	18
Types of accounts mgd	CEFG
No. of portfolio mgrs	2
Size of research staff	1

Hellman, Jordan Management uses asset allocation among stocks, bonds and cash. Its equity approach focuses on high growth. The firm's fixed-income approach uses interest rate anticipation; it will own bonds when expected returns exceed the expected returns from equities.

As of Jan. 1, the asset mix was 75% stocks, 18% bonds and 7% cash.

Clients include Celanese, Xerox, GTE and Johnson & Johnson.

Gerald R. Jordan Jr., president, is the chief investment officer and the client contact.

Heritage Investment Advisers Inc.

733 N. Van Buren, Milwaukee, Wis.
53202; (414) 271-0440

Total assets mgd.	$751,000,000
Tax-exempt assets mgd:	
Total	$716,000,000
Fully discretionary	$716,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	36
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	2

Heritage Investment stresses an equity approach that is concept oriented but disciplined in valuation and price timing. Its concentration is in conceptual areas likely to benefit major economic, technological political and social trends.

The firm's fixed-income role is to provide current income for reinvestment, preserve principal and maintain a consistent return. A relatively high fixed-income component moderates volatility of medium-size growth stocks.

As of Jan. 1, the asset mix was 24% stocks, 24% bonds, 18% designated bond portfolio, 15% immunized bond portfolio and 19% cash.

Clients include University of Wisconsin, Johnson Controls Inc. and the Milwaukee Symphony.

Maureen J. Busby, executive vice president, is the chief investment officer and the client contact.

Hibernia National Bank

P.O. Box 61540, New Orleans, La.
70161; (504) 587-2952

Total assets mgd.	$2,015,000,000
Tax-exempt assets mgd:	
Total	$1,871,000,000
Fully discretionary	$1,680,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	524
Types of accounts mgd	CFG
No. of portfolio mgrs	7
Size of research staff	1

Hibernia National Bank's equity approach employs a top-down investment process that places primary emphasis on equity exposure, industry weighting and stock selection decisions.

For fixed income, the bank employs a top-down investment process placing emphasis on maturity-structure decisions and interest rate forecasting; sector and credit analysis evaluation are also used.

As of Jan. 1, the asset mix was 80% bonds, 10% cash and 10% stocks.

Clients include Louisiana Teachers Retirement System, New Orleans Steamship Association, Florida Steel Corp. and West Point Pepperell.

Robert Yerby, vice president, is chief investment officer; Charles Field, vice president, is client contact.

Hodeson Roberton Laing Ltd.

199 Bay St. Suite 500, Toronto,
Ontario M5J1L4; (416) 869-3320

Total assets mgd.	$584,000,000
Tax-exempt assets mgd:	
Total	$170,000,000
Fully discretionary	$170,000,000
Real estate assets mgd	$36,000,000
International assets mgd	$17,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	7
Types of accounts mgd	CEF
No. of portfolio mgrs	4
Size of research staff	0

Hodeson Roberton Laing uses a Graham & Dodd equities approach and focuses on protection of capital and increasing the real value after adjustment for inflation.

The firm's fixed-income approach is based on interest rate anticipation. The firm uses options.

As of Jan. 1, the asset mix was 50% bonds, 35% stocks and 15% cash.

J. Warren Laing, president, is the chief investment officer; T.C. Buddin, vice president, is the client contact.

Hoisington Investment Management Co.

711 Polk, Suite 650, Houston, Texas
77002; (713) 650-1004

Total assets mgd.	$1,400,000,000
Tax-exempt assets mgd:	
Total	$1,400,000,000
Fully discretionary	$1,400,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	40
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	2
Size of research staff	1

Hoisington Investment is a bond specialist that employs a risk-averse approach, in which very short maturities are utilized during periods of high risk, while low-risk periods are capitalized upon by utilizing 30-year maturities.

As of Jan. 1, the asset mix was 100% cash.

Clients include Standard Oil of Indiana, TRW, United Mine Workers and Fluor Corp.

Van R. Hoisington, president, is the chief investment officer; J. Paul Lewis, executive vice president, is the client contact.

Holborn International

450 Park Ave., Suite 2804, New York,
N.Y. 10022; (212) 980-0977

Total assets mgd.	$14,000,000
Tax-exempt assets mgd:	
Total	$14,000,000
Fully discretionary	$14,000,000
International assets mgd	$14,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	1
Types of accounts mgd	C
No. of portfolio mgrs	4
Size of research staff	0

Holborn International, a subsidiary of Prudential Portfolio Managers, is an international investment adviser that focuses its equity approach on separate and active treatment of country and currency weightings, combined with stock selection and quality growth.

The firm's fixed-income approach is primarily to vary the average life and coupon level and geographical distribution of exposure; secondary activity uses switching between market segments.

As of Jan. 1, the asset mix was 90% stocks and 10% cash.

Clients include Prudential Assurance.

Michael Newmarch, president, is the chief investment officer; Peter Whelpton, vice president, is the client contact.

T.J. Holt & Co. Inc.

290 Post Road West, Westport,
Conn. 06880; (203) 226-8911

Total assets mgd.	$50,000,000
Tax-exempt assets mgd:	
Total	$26,000,000
Fully discretionary	$26,000,000
Minimum separate account	$25,000
Tax-exempt clients	138
Types of accounts mgd	C
No. of portfolio mgrs	5
Size of research staff	5

T.J. Holt & Co. uses for equities a macroeconomic top-down approach, along with flow-of-funds analysis to time asset allocation moves and sector selection.

The firm's fixed-income approach uses its macroeconomic studies to predict interest rate fluctuation.

As of Jan. 1, the asset mix was 85% cash and 15% bonds.

Thomas J. Holt, president and senior economist, is the chief investment officer; Lawrence H. Douglas, director of marketing, is the client contact.

Horizon Trust Co., National Association

65 Madison Ave., Morristown, N.J.
07960; (201) 285-2133

Total assets mgd.	$700,000,000
Tax-exempt assets mgd:	
Total	$100,000,000
Fully discretionary	$100,000,000
Minimum separate account	$200,000
Tax-exempt clients	100
Types of accounts mgd	CEFJ
No. of portfolio mgrs	11
Size of research staff	2

Horizon Trust is a subsidiary of Horizon Bancorp. The company's equity selections are based on internally generated economic projections identifying undervalued sectors and inefficiently priced securities. The firm actively allocates portfolio assets to reflect imbalances among asset classes.

The fixed-income approach is based on flexibility to restructure portfolios to adjust new opportunities in the debt market.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds and 10% cash.

Fred Holbrook, vice president and senior pension investment officer, is the chief investment officer; Mark C. Hanna, assistant vice president, is the client contact.

Hotchkis and Wiley

800 Wilshire Blvd., 12th Floor, Los
Angeles, Calif. 90017; (213)
623-4073

Total assets mgd.	$245,000,000
Tax-exempt assets mgd:	
Total	$226,000,000
Fully discretionary	$226,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	16
Types of accounts mgd	CFG
No. of portfolio mgrs	2
Size of research staff	0

For equities, Hotchkis and Wiley uses a low-risk entry approach measured by high earnings yield and current yield that is greater than the market. The Graham & Dodd approach is also used.

As of Jan. 1, the asset mix was 90% stocks and 10% cash.

Clients include Pfizer, Rockwell International, GTE and Arizona Public Service.

John F. Hotchkis and George Wiley are the chief investment officers and the client contacts.

Howe and Rusling Inc.

183 E. Main St., Rochester, N.Y.
14604; (716) 325-5285

Total assets mgd.	$110,000,000
Tax-exempt assets mgd:	
Total	$30,000,000
Fully discretionary	$27,000,000
Minimum separate account	$100,000
Tax-exempt clients	15
Types of accounts mgd	CEFJ
No. of portfolio mgrs	4
Size of research staff	1

Howe and Rusling Inc.'s equity approach looks at low price-earnings, growth stock; MPT is used. The firm will consider rapidly growing companies, and emerging companies with good financials.

The firm's fixed-income approach is based on sector analysis and interest rate anticipation.

As of Jan. 1, the asset mix was 75% stocks, 20% bonds and 5% cash.

Thomas G. Rusling, president, is the chief investment officer; Robert B. Wolf, vice president, is the client contact.

The Huntington Bank of Northeast Ohio

P.O. Box 5065, Cleveland, Ohio
44010; (216) 344-6525

Total assets mgd.	$411,000,000
Tax-exempt assets mgd:	
Total	$268,000,000
Fully discretionary	$60,000,000
Master trust assets	$12,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	80
Types of accounts mgd	CEFJ
No. of portfolio mgrs	4
Size of research staff	0

The Huntington Bank of Northeast Ohio is a subsidiary of Huntington Bancshares Inc. For equities, it employs a top-down approach, using sector analysis, risk aversion and active management.

Its fixed-income approach focuses on preservation of capital, income and liquidity. Sector and rate analysis determine average maturities. Within sectors, quality and issue size are stressed to provide marketability and risk protection.

As of Jan. 1, the asset mix was 60% stocks, 35% bonds and 5% cash.

Clients include R.D. Werner Co., Blue Cross of Northeast Ohio, Sifco Industries and Ohio Savings & Loan League.

N. Andre Boschert, senior vice president, is the chief investment officer; David E. Jerome, vice president, is the client contact.

Huntington National Bank

P.O. Box 1558, Columbus, Ohio
43260; (614) 469-7103

Total assets mgd.	$1,012,000,000
Tax-exempt assets mgd:	
Total	$375,000,000
Fully discretionary	$200,000,000
Minimum separate account	$500,000
Tax-exempt clients	1,100
Types of accounts mgd	CEFJ
No. of portfolio mgrs	6
Size of research staff	5

Huntington National Bank will begin to offer real estate investment April 1, 1983.

For equity investments, the bank uses both a quantitative and a selective approach, with the use of either depending on the risk level of the account.

For fixed income, interest rate anticipation is used.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds and 10% cash and cash equivalents.

Clients include American Aggregates, Kobacker Stores, Sherex Chemical and Lancaster Glass.

Gary F. Cogswell, vice president, is the chief investment officer; Ed B. Ranucci, vice president and Steven I. Swett, vice president, are the client contacts.

Hutchinson National Bank & Trust

1 Polaris Plaza, Hutchinson, Kan.
67501; (316) 662-0561

Total assets mgd.	$95,000,000
Tax-exempt assets mgd:	
Total	$25,000,000
Fully discretionary	$20,000,000
Master trust assets	$60,000,000
Master custodian assets	$75,000,000
Minimum separate account	$150,000
Tax-exempt clients	30
Types of accounts mgd	CFGJ
No. of portfolio mgrs	3
Size of research staff	3

Hutchinson National Bank & Trust's equity approach is based on business cycles rather than market cycles. The bank's fixed-income approach uses interest rate anticipation. Options, stock index futures and fixed-income futures are used. The bank also handles farm management.

As of Jan. 1, the asset mix was 40% stocks, 40% bonds and 20% cash.

Dale E. Page, vice president, is the

Hutchinson continued on page 55

Hutton Capital Management
Balanced and Equity-oriented Portfolios
Dedicated professionals
Disciplined approach
Superior results
EFHutton
E.F. Hutton & Company Inc.
John J. Hock
Vice President and Director of Client Services
17 Battery Place
New York, New York 10004
(212) 742-6277

Hutchinson continued from 54

chief investment officer; William Mills is a client contact.

Hutton Capital Management

17 Battery Place, Suite 314, New York, N.Y. 10004; (212) 742-6557

Total assets mgd.	$403,000,000
Tax-exempt assets mgd:	
Total	$337,000,000
Fully discretionary	$337,000,000
Minimum separate account	$500,000
Tax-exempt clients	270
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	50

Hutton Capital Management, a subsidiary of E.F. Hutton & Co., uses an approach based on a fundamental valuation model, using Graham & Dodd techniques.

The firm's fixed-income approach is based on interest rate anticipation.

As of Jan. 1, the asset mix was 60% stocks, 33% bonds and 7% cash.

Clients include Chrysler Corp., J.M. Tull Industries, Valeron Corp. and University of San Francisco.

William L. Clayton, Peter S. Hagerman and Robert L. Ardizzone, directors, are the chief investment officers; John J. Hock, director of client relations, is client contact.

i

IAA Trust Co.

1701 Towanda Ave., Bloomington, Ill. 61701; (309) 557-3241

Total assets mgd.	$1,615,000,000
Tax-exempt assets mgd:	
Total	$98,000,000
Fully discretionary	$74,000,000
Minimum separate account	$250,000
Tax-exempt clients	2,300
Types of accounts mgd	CF
No. of portfolio mgrs	8
Size of research staff	2

IAA Trust, the investment subsidiary of the Illinois Agricultural Association, uses economic and industry forecasts to locate undervalued stocks and growth stocks for equity investments.

The company's approach for fixed-income is to anticipate interest rate changes.

As of Jan. 1, the asset mix was 45% stocks, 30% cash and 25% bonds.

Clients include Prairie Farms Dairy, GROWMARK Inc., The Daily Pantagraph and Country Life Insurance Co.

Gary E. Mede, executive vice president, is the chief investment officer; David Tipsword is the client contact.

IDS Advisory Group

3100 IDS Tower, Minneapolis, Minn. 55402; (612) 372-2922

Total assets mgd.	$3,127,000,000
Tax-exempt assets mgd:	
Total	$3,127,000,000
Fully discretionary	$3,127,000,000
International assets mgd	$3,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	61
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	30

IDS Advisory Group identifies favorable and unfavorable equity market sectors. It purchases issues within favorable sectors according to clearly defined value criteria, and sells issues within unfavorable sectors as well as overvalued issues.

For fixed income, the company is oriented toward absolute returns, and identifies areas of greatest relative value along the yield curve and by market sector.

As of Jan. 1, the asset mix was 74% stocks, 20% bonds and 6% cash.

Clients include Boeing Co., California Institute of Technology, PepsiCo Inc. and Virginia Supplemental Retirement System.

Bruce C. Lueck, president and chief executive officer, is the chief investment officer; Randolph L. Kohn, vice president, is the client contact.

ISI Corp.

1606 Webster St., P.O. Box 23330, Oakland, Calif. 94623; (415) 832-1400

Total assets mgd.	$171,000,000
Tax-exempt assets mgd:	
Total	$36,000,000
Fully discretionary	$36,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	5
Types of accounts mgd	C
No. of portfolio mgrs	5
Size of research staff	2

ISI Corp. is a risk-averse active asset allocation manager. Market timing is used for equity investments. The main decision is whether or not to own equities. Individual security selection then dominates, using fundamental and technical screening.

The firm uses U.S. government issues only as equity substitutes when the anticipated risk-adjusted rewards warrant increased fixed-income investments vs. equities or cash as part of active asset allocation.

As of Jan. 1, the asset mix was 80% cash and 20% bonds.

Clients include Saxon Industries and IMC.

James D. Whelpley, president, is the chief investment officer and the client contact.

The Illinois Co. Inc.

30 N. LaSalle St., Chicago, Ill. 60602; (312) 444-2100

Total assets mgd.	$140,000,000
Tax-exempt assets mgd:	
Total	$140,000,000
Fully discretionary	$140,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	4
Types of accounts mgd	J
No. of portfolio mgrs	4
Size of research staff	na

The Illinois Co.'s equity investments are based on Graham & Dodd and utilize market timing. Total exposure is increased or reduced depending on risk/return judgments.

In fixed-income, the firm anticipates interest rate changes. Maturities are spread over 30 years. It uses options.

As of Jan. 1, the asset mix was 54% cash, 45% bonds and 1% stocks.

Paul H. Fricke, vice president, is the chief investment officer and the client contact.

Independence Investment Associates Inc.

1 Liberty Square, Boston, Mass. 02109; (617) 292-8700

Total assets mgd.	$1,200,000,000
Tax-exempt assets mgd:	
Total	$939,000,000
Fully discretionary	$939,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	94
Types of accounts mgd	CEGJ
No. of portfolio mgrs	4
Size of research staff	10

Independence Investment Associates, a subsidiary of John Hancock, is an active quantitative manager that integrates fundamental research with multiple factor valuation for issue selection. Portfolios are tailored to risk/return preferences. It has the technical expertise and quantitative capability to structure uniquely designed bond portfolios meeting specific requirements including dedication, immunization and active management.

As of Jan. 1, the asset mix was 67% stocks, 17% bonds and 16% cash.

Clients include Kendall, Westvaco and R.J. Reynolds.

Lewis J. Kleinrock, president, is the chief investment officer; Richard E. Gibbs, executive vice president and Charles S. Nichols, vice president, are the client contacts.

Indiana National Bank

One Indiana Square, Suite 621, Indianapolis, Ind. 46266; (317) 266-5859

Total assets mgd.	$3,200,000,000
Tax-exempt assets mgd:	
Total	$1,854,000,000
Fully discretionary	$1,854,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	716
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	19
Size of research staff	5

Indiana National Bank's equity strategy centers on selection of individual stocks within favored industry groups with little attention given to timing. The bank's approach uses sector rotation and qualitative techniques.

For fixed-income, the bank uses credit analysis, relative value comparisons, interest rate projections and yield curve analysis to make risk-reward judgments.

As of Jan. 1, the asset mix was 51% stocks, 43% bonds, 5% cash and 1% mortgages.

Clients include Carpenters Local Unions & Council Pension Fund, Indiana State Teachers Retirement Fund, Blue Cross & Blue Shield Pension Fund and DePauw University Endowment Fund.

P. Roger Kumler, senior vice president and trust officer, is the chief investment officer; George A. Buskirk Jr., first vice president, is the client contact.

Institutional Capital Corp.

230 W. Monroe St., Suite 2930, Chicago, Ill.; (312) 641-7200

Total assets mgd.	$1,015,000,000
Tax-exempt assets mgd:	
Total	$1,015,000,000
Fully discretionary	$1,015,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	12
Types of accounts mgd	CE
No. of portfolio mgrs	3
Size of research staff	7

Institutional Capital for equity investments uses a sector rotation approach. The firm's fixed-income approach is based on interest rate anticipation. Options are used as a hedging device.

As of Jan. 1, the asset mix was 64% stocks, 20% cash and 16% bonds.

Clients include Jewel Cos., Quaker Oats, Caterpillar Tractor and Northwest Industries.

William A. Maloney, president, is the chief investment officer; Russell C. Walter, executive vice president, is the client contact.

Institutional Petroleum Advisors

521 Fifth Ave., New York, N.Y. 10175; (212) 986-7870

Total assets mgd.	0
Tax-exempt assets mgd:	
Total	0
Fully discretionary	0
Minimum separate account	$10,000,000
Tax-exempt clients	0
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	5

Institutional Petroleum is an oil and gas investment manager established in December 1982. In oil and gas equity, it uses analysis and knowledge of the market to structure flexible, tax efficient, defensive investments matching market conditons and client needs. Value is created through active financial and portfolio management.

Its fixed-income approach is to use the mortgage form for equity oil and gas investments. Deep discounts mortgages, equity options and conversion rights help "flex" yield curves to protect both real returns and high nominal "base cases."

The firm plans to invest 100% in oil and gas equity.

Robert C. Metzger, president, is the chief investment officer; Mark J. Waltch, chairman, is the client contact.

Institutional Portfolio Services

One First National Plaza, Suite 2594, Chicago, Ill. 60603; (312) 236-5388

Total assets mgd.	$80,000,000
Tax-exempt assets mgd:	
Total	$70,000,000
Fully discretionary	$70,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	30
Types of accounts mgd	CEFJ
No. of portfolio mgrs	1
Size of research staff	0

Institutional Portfolio uses growth stock, sector rotation, market timing, Graham & Dodd techniques and low price-earnings as its equity approach.

The firm's fixed-income approach is based on anticipating interest rate changes. Options and stock index futures are used as hedging devices.

As of Jan. 1, the asset mix was 56% stocks, 35% bonds and 9% cash.

Clients include Helene Curtis Industries, Christian Brothers Investment Services, Consolidated Packaging Corp. and Institute Des Freres Des Ecoles Chretiennes.

B. Padmanabha Pai, president, is the chief investment officer; Denise M. Iwaniec is the client contact.

InterFirst Bank Dallas

P.O. Box 83794, Dallas, Texas 75283; (214) 744-8323

Total assets mgd.	$4,490,000,000
Tax-exempt assets mgd:	
Total	$2,900,000,000
Fully discretionary	$2,223,000,000
Master trust assets	$536,000,000
Real estate assets mgd	$382,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	321
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	14
Size of research staff	6

InterFirst Bank Dallas is a growth stock manager with a valuation bias.

For fixed income, the bank utilizes short- and intermediate-term maturities to preserve capital and attain a real rate of return after inflation. It uses options as a hedging device.

As of Jan. 1, the asset mix was 65% stocks, 15% bonds, 10% cash and 10% equity real estate.

Clients include AT&T, Conoco, Exxon and Celanese.

Daniel J. Forrestal III, president, is the chief investment officer; Nathan O. Finke, vice president, is the client contact.

IntraWest Investment Management

P.O. Box 5825, Denver, Colo. 80217; (303) 293-5588

Total assets mgd.	$350,000,000

IntraWest continued on page 56

THE UNCOMMON COMMON STOCK SEPARATE ACCOUNT

for corporate and municipal tax-qualified pension/profit-sharing funds.

Here are just a few reasons why our pooled Common Stock Separate Account is considered "uncommon":

- *We don't emphasize diversification.*
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- *We don't structure our holdings by rigid formulas.*
- *We don't fear being uninvested and will take a substantial cash position when we judge risk to be excessive.*

We do strive for capital appreciation through careful stock selection.

Write for our brochure detailing all the uncommon facts about our Common Stock Separate Account.

PIA 4-4

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Company ____________________
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Zip __________ Telephone ____________________

Send to: Joel C. Cohan, Vice President
One American Row, Hartford CT, 06115

Phoenix Mutual
Life Insurance Company

Phoenix Mutual will be pleased to provide, upon request, financial statements, including its latest two annual reports, and other information material to the contract and the determination of interest rates thereunder.

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IntraWest continued from 55

Tax-exempt assets mgd:	
Total	$850,000,000
Fully discretionary	$850,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	34
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	6

IntraWest Investment, for equities, focuses on small- and medium-size companies. Its approach is fundamental.

For fixed income, the firm's approach is based on interest rate anticipation and bond optimization.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include AT&T, Southern California Edison, Great Northern Nekoosa and Omark Industries.

Todger Anderson, vice president, is the chief investment officer; Dennis E. Larkin, vice president, is the client contact.

INVESCO Capital Management Inc.

1175 Peachtree St. N.W., 100 Colony Square, Suite 1400, Atlanta, Ga. 30361; (404) 892-0875

Total assets mgd.	$1,607,000,000
Tax-exempt assets mgd:	
Total	$1,500,000,000
Fully discretionary	$1,500,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	42
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	9

INVESCO uses fundamental, bottom-up analysis for its equity approach with primary emphasis on issue selection; it is basically a "rotational value buyer."

The fixed-income approach is based on quality shifts, arbitrage and inefficiently priced vehicles. The firm keeps portfolios fully invested and believes forecasting of interest rates is unreliable.

As of Jan. 1, the asset mix was 63% stocks and 37% bonds.

Clients include Beatrice Foods, The Coco-Cola Co., The Ford Foundation and Levi Strauss.

Wendell M. Starke, president, is the chief investment officer; Willis M. Everett is the client contact.

Investment Advisers Inc.

1100 Dain Tower, P.O. Box 1160, Minneapolis, Minn. 55440; (612) 371-2939

Total assets mgd.	$1,200,000,000
Tax-exempt assets mgd:	
Total	$891,000,000
Fully discretionary	$891,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	99
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	0

Investment Advisers is growth stock oriented, using sector rotation and market timing techniques for equities. The firm's fixed-income approach is based on interest rate anticipation.

As of Jan. 1, the asset mix was 65% stocks, 25% bonds and 10% cash.

Clients include Minnesota Mining & Manufacturing, Northwest Airlines, state of New Hampshire and Household International.

Noel Rahn, chief executive officer, is the chief investment officer; I.P. Kneiman, senior vice president, is the client contact.

Investment Advisors Inc.

1100 Louisiana, Suite 4550, Houston, Texas 77002; (713) 659-2611

Total assets mgd.	$308,000,000
Tax-exempt assets mgd:	
Total	$286,000,000
Fully discretionary	$153,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	34
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	2

Investment Advisors uses top-down and bottom-up analysis. Investment discipline by the firm allows it to sell overvalued stocks and purchase undervalued stocks.

The fixed-income approach is based on yield curve and macroeconomic analyses, and interest rate anticipation. Yield differentials and spreads determine sector investment.

As of Jan. 1, the asset mix was 60% stocks, 20% corporate convertible debentures, 15% bonds and 5% cash.

Clients include City of Baton Rouge Retirement System, City of Shreveport Retirement System and Texas Industries.

Marvin H. McMurrey, president, is the chief investment officer; Thomas A. Wimberly, executive vice president, is the client contact.

Investment and Capital Management Corp.

Two Continental Towers, 1701 Golf Road, Rolling Meadows, Ill. 60008; (312) 439-8500

Total assets mgd.	$720,000,000
Tax-exempt assets mgd:	
Total	$700,000,000
Fully discretionary	$700,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	60
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	0

Investment and Capital Management believes superior long-term rates of return are achieved by making correct asset allocation decisions and by then focusing on industry and security selection.

The firm's fixed-income approach is based on arbitrage, with proprietary interest rate forecasting models employed to help guide maturity decisions. The firm uses options.

As of Jan. 1, the asset mix was 55% stocks, 30% bonds and 15% cash.

Clients include Conrail, Kansas Public Employees, Operating Engineers and National Can.

Donald J. Killian, president, is the chief investment officer; James J. O'Leary, senior vice president, is the client contact.

The Investment Counsel Co.

56 E. Pine St., Suite 200, Orlando, Fla. 32801; (305) 841-6241

Total assets mgd.	$354,000,000
Tax-exempt assets mgd:	
Total	$306,000,000
Fully discretionary	$306,000,000
Real estate assets mgd	$50,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	54
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	2

The Investment Counsel Co. uses government policy and business conditions to determine the degree of commitment to equities. The firm identifies stocks that have price-trend and fundamental characteristics.

The firm's fixed-income approach invests during major-opportunity periods afforded by multiyear trends in bond values and interest rates. It uses options as a hedging device.

As of Jan. 1, the asset mix was 55% bonds, 29% stocks and 16% mortgages.

Clients include Miami Beach General Employees, Tampa General Employees, Orlando Police & Firefighters and Auburn University Endowment Fund.

John P. Meehan, president, is the chief investment officer; Thomas K. Lloyd, executive vice president, is the client contact.

Investment Counselors of Maryland Inc.

100 S. Charles St., Baltimore, Md. 21201; (301) 539-3838

Total assets mgd.	$569,000,000
Tax-exempt assets mgd:	
Total	$415,000,000
Fully discretionary	$415,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	72
Types of accounts mgd	CEFG
No. of portfolio mgrs	7
Size of research staff	0

Investment Counselors of Maryland for equities focuses on publicly traded stocks, those that possess strong financial characteristics and low ratios of market price to earnings and asset values.

The firm's fixed-income approach is based on anticipating interest rate changes.

As of Jan. 1, the asset mix was 41% bonds, 37% stocks and 22% cash.

Clients include AT&T, Johns Hopkins Hospital, Thomas Industries and Washington Suburban Sanitary Commission.

Craig Lewis, president, is the chief investment officer; Robert B. Russell III, executive vice president, is the client contact.

Investors Management Services Inc.

700 E. Maple, Birmingham, Mi... 48011; (313) 642-1020

Total assets mgd.	$72,000,000
Tax-exempt assets mgd:	
Total	$43,000,000
Fully discretionary	$40,000,000
Minimum separate account	$85,000
Tax-exempt clients	40
Types of accounts mgd	CFJ
No. of portfolio mgrs	2
Size of research staff	0

Investors Management Services uses Graham & Dodd and market timing approaches for equities. For fixed-income the firm's approach is anticipating interest rates.

As of Jan. 1, the asset mix was 55% stocks, 40% bonds and 5% cash.

Richard Wiggins, president, is the chief investment officer; Richard A. Hernquist, investment counselor, is the client contact.

Irving Trust Co.

One Wall St., New York, N.Y. 10015; (212) 487-4191

Total assets mgd.	$4,765,000,000
Tax-exempt assets mgd:	
Total	$2,248,000,000
Fully discretionary	$1,898,000,000
Master trust assets	$3,360,000,000
Master custodian assets	$8,134,000,000
Minimum separate account	$2,500,000
Tax-exempt clients	140
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	18
Size of research staff	13

Irving Trust Co., a subsidiary of Irving Bank Corp., uses a low price-earnings, value oriented approach for equity investment.

The company's fixed-income approach is active and fundamentally oriented. Its bond strategy keys off economic/inflation/interest rate/yield curve expectations.

The asset mix was not available.

Clients include Westvaco, Warner-Lambert, Bristol-Myers and May Department Stores.

Peter D. Richardson, senior vice president, is the chief investment officer; Charles E. Griffith, vice president, is the client contact.

Ivory & Sime International Inc.

39 Main St., P.O. Box 6, Chatham, N.J. 07928; (201) 635-6700

Total assets mgd.	$150,000,000
Tax-exempt assets mgd:	
Total	$150,000,000
Fully discretionary	$150,000,000
International assets mgd	$142,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	9
Types of accounts mgd	C
No. of portfolio mgrs	27
Size of research staff	6

Ivory & Sime International is a subsidiary of Jamison, Eaton & Wood and Ivory & Sime Ltd.; it is an international adviser.

The firm uses a long-term fundamental research-based approach with emphasis on stock selection and identifying superior companies in a global context. Currency decisions discipline the asset mix.

The fixed-income approach of the firm is opportunistic. Bonds are included when total returns are competitive with common stocks in a given market. Currency decisions are more important with this asset class than stocks.

As of Jan. 1, the asset mix was 85% stocks, 10% bonds and 5% cash.

Clients include GTE Corp., Standard Oil of Indiana, TRW Investment Management and Xerox Corp.

Alex Hammond-Chambers, deputy chairman, is the chief investment officer; Keith H. Wood, president and director, is the client contact.

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Top 25 Investment Counselors

Rank	Asset manager	1982 Assets ($ millions)
1.	Alliance Capital Management Corp.	13,245
2.	State Street Research & Management Co.	10,100
3.	Jennison Associates Capital Corp.	9,000
4.	Chase Investors Management Corp.	8,500
5.	Fayez Sarofim & Co.	8,461
6.	Batterymarch Financial Management	7,891
7.	Loomis, Sayles & Co. Inc.	7,465
8.	T. Rowe Price Associates Inc.	7,125
9.	Scudder, Stevens & Clark	6,577
10.	Brown Bros., Harriman & Co.	5,760
11.	The Putnam Advisory Co.	5,373
12.	Stein Roe & Farnham	4,800
13.	Thorndike, Doran, Paine & Lewis	4,714
14.	Delaware Investment Advisers Inc.	4,256
15.	Forstmann-Leff Associates Inc.	4,121
16.	Pacific Investment Management Co.	4,076
17.	The Boston Co.	4,021
18.	MacKay-Shields Financial Corp.	3,922
19.	Oppenheimer Capital Corp.	3,917
20.	Funds Advisory Co.	3,900
21.	Rosenberg Capital Management	3,812
22.	Lehman Management Co. Inc.	3,335
23.	IDS Advisory Group	3,127
24.	Capital Supervisors Inc.	3,059
25.	Crocker Investment Management	3,000
	TOTAL	143,557

Top 25 Banks

Rank	Asset manager	1982 Assets ($ millions)
1.	Morgan Guaranty Trust Co.	19,300
2.	Bankers Trust Co.	18,800
3.	Manufacturers Hanover Trust Co.	12,600
4.	Citicorp	12,217
5.	Mellon Bank	8,771
6.	Chemical Bank	7,984
7.	Wells Fargo	7,200
8.	State Street Bank & Trust Co.	7,100
9.	Harris Trust and Savings Bank	6,748
10.	National Bank of Detroit	6,400
11.	Wilmington Trust Co.	6,000
12.	The Northern Trust Co.	5,117
13.	Continental Illinois National Bank & Trust	4,913
14.	The First National Bank of Chicago	4,726
15.	American National Bank and Trust Co.	4,500
16.	The First National Bank of Boston	4,300
17.	Bank of New York	4,100
18.	AmeriTrust Co.	4,053
19.	RepublicBank Dallas	3,369
20.	Boatmen's National Bank of St. Louis	3,155
21.	Crocker National Bank	3,000
22.	InterFirst Bank Dallas	2,900
23.	Centerre Trust Co. of St. Louis	2,832
24.	American Fletcher National Bank	2,817
25.	First City National Bank	2,800
	TOTAL	165,702

Top 25 Insurance Companies

Rank	Asset manager	1982 Assets ($ millions)
1.	Equitable Life Assurance	32,600
2.	The Prudential Insurance Co.	27,378
3.	TIAA/CREF	25,120
4.	Aetna Life Insurance Co.	23,885
5.	Metropolitan Life Insurance	21,128
6.	The Travelers Insurance Co.	14,284
7.	CIGNA Corp.	12,740
8.	John Hancock Mutual Life	11,057
9.	Bankers Life	6,918
10.	New York Life Insurance Co.	4,222
11.	New England Mutual Life	3,400
12.	Massachusetts Mutual Life	3,200
13.	Lincoln National Life Insurance	3,068
14.	Mutual Benefit Life Insurance	2,860
15.	Mutual of New York (MONY)	2,650
16.	Kemper Financial Services	2,300
17.	Pacific Mutual Life Insurance Co.	2,175
18.	Union Mutual Life Insurance Co.	1,900
19.	Continental Assurance Co.	1,765
20.	National Health & Welfare	1,600
21.	The Great West Life Assurance	1,060
22.	Minnesota Mutual Life	970
23.	United of Omaha Life Insurance	911
24.	Phoenix Mutual Life Insurance	866
25.	The Union Labor Life Insurance	791
	TOTAL	208,828

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Profiles continued from page 56

JMB Institutional Realty Corp.

875 N. Michigan Ave., Chicago, Ill.
60611; (312) 440-4800

Total assets mgd.	$3,750,000,000
Tax-exempt assets mgd:	
Total	$450,000,000
Fully discretionary	$450,000,000
Real estate assets mgd	$450,000,000
Minimum separate account	$50,000,000
Tax-exempt clients	60
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	na
Size of research staff	na

JMB Institutional Realty is a unit of JMB Realty Corp.; the firm specializes in equity real estate investments.

As of Jan. 1, the asset mix was 100% equity real estate.

Clients include Xerox, Consolidated Edison, 3M and Inland Steel.

John S. Lillard, president, is the chief investment officer and the client contact.

Jamison, Eaton & Wood Inc.

39 Main St., P.O. Box 6, Chatham,
N.J.; (201) 635-6700

Total assets mgd.	$120,000,000
Tax-exempt assets mgd:	
Total	$95,000,000
Fully discretionary	$90,000,000
Minimum separate account	$500,000
Tax-exempt clients	15
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	1

Jamison, Eaton & Wood Inc. uses top-down projection of interest rates and corporate profits. This is combined with a value-oriented stock selection methodology that emphasizes growth in earnings and dividends. Fixed-income decisions are balanced between interest rate anticipation and sector analysis. Credit and arbitrage activity is also incorporated. The firm handles international investments through its affiliate, Ivory & Sime International.

As of Jan. 1, the asset mix was 67% stocks, 5% bonds and 28% cash.

Clients include Alcan Aluminum, Homasote and the South Carolina Public Employees Retirement System.

Keith Wood, chairman, is chief investment officer; James McGonigle, president, is the client contact.

Jamison, Munsch & Smith

1760 Market St., Suite 1308,
Philadelphia, Pa. 19103; (215)
564-4142

Total assets mgd.	$190,000,000
Tax-exempt assets mgd:	
Total	$160,000,000
Fully discretionary	$160,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	11
Types of accounts mgd	CFG
No. of portfolio mgrs	4
Size of research staff	0

Jamison, Munsch & Smith, a subsidiary of Tucker, Anthony Holding Corp., evaluates monetary, economic and market-related data in a disciplined manner prior to making an equity commitment. For fixed income, the firm emphasizes shifting maturities along the yield curve based upon its analysis of the business cycle and interest-rate cycle. Major maturity moves are based primarily on changing economic fundamentals and not short-term technical considerations. The firm uses options as a hedging device.

As of Jan. 1 the asset mix was 15% stocks, 80% bonds and 5% cash.

Clients include Copperweld Corp., National Home Life Insurance and Syntex Corp.

Paul Jamison is the chief investment officer-equity and Steve Smith is the chief investment officer-fixed income; Raymond J. Munsch is the client contact.

Jennison Associates Capital Corp.

466 Lexington Ave., New York, N.Y.
10017; (212) 421-1000

Total assets mgd.	$9,000,000,000
Tax-exempt assets mgd:	
Total	$9,000,000,000
Fully discretionary	$9,000,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	70
Types of accounts mgd	CE
No. of portfolio mgrs	8
Size of research staff	6

Jennison Associates Capital follows growth stocks for equities and uses sector analysis for fixed investments.

Clients include Caterpillar and Hughes Aircraft, according to the 1983 Money Market Directory.

Spiros Segalas, director and senior vice president, is the chief investment officer.

Jenswold & Associates

7880 San Felipe, Suite 108, Houston,
Texas 77063; (713) 789-1272

Total assets mgd.	$34,000,000
Tax-exempt assets mgd:	
Total	$10,000,000
Fully discretionary	$10,000,000
Minimum separate account	$500,000
Tax-exempt clients	6
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	1

Jenswold, King & Associates uses a low risk-high reward, value and yield-oriented, special situations approach. It employs contrary opinion investing in emerging growth, asset leverage, or turnaround opportunities. Bond management emphasizes interest-rate anticipation combined with a base portfolio of intermediate maturities that provide required income flows.

It uses options and is looking into stock-index futures.

As of Jan. 1, the asset mix was 75% stocks, 15% bonds and 10% cash.

Roger H. Jenswold and Roger E. King, partners, are the chief investment officers; Mr. King is the client contact.

Johnson Investment Counsel Inc.

5554 Cheviot Road, Cincinnati, Ohio
45239; (513) 385-4001

Total assets mgd.	$86,000,000
Tax-exempt assets mgd:	
Total	$51,000,000
Fully discretionary	$51,000,000
Minimum separate account	$250,000
Tax-exempt clients	43
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	1

Johnson Investment Counsel employs a top-down approach and MPT analysis with an emphasis on emerging growth and undervalued securities. Bond selection is based on quality, duration and special situations with an emphasis on convertible bonds.

As of Jan. 1, the asset mix was 36% stocks, 49% bonds and 15% cash.

Clients include the University of Cincinnati.

Timothy E. Johnson is the chief investment officer; Pamela J. Thompson is the client contact.

Johnson, Valliant & Broadfoot Inc.

2 E. Fayette St. Suite 303, Baltimore,
Md. 21202; (301) 837-4800

Total assets mgd.	$24,000,000
Tax-exempt assets mgd:	
Total	$24,000,000
Fully discretionary	$24,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	5
Types of accounts mgd	CEFG
No. of portfolio mgrs	3
Size of research staff	0

Johnson, Valliant & Broadfoot Inc. focuses on companies with potential earnings per share in excess of 30%, revenues of less than $100 million and low institutional ownership.

As of Jan. 1, the asset mix was 80% stocks and 20% cash.

Clients include GTE Service Corp., Scott Paper and state of Maryland.

John T. Johnson, partner, is the chief investment officer and the client contact.

Jones Lang Wootton Realty Advisors

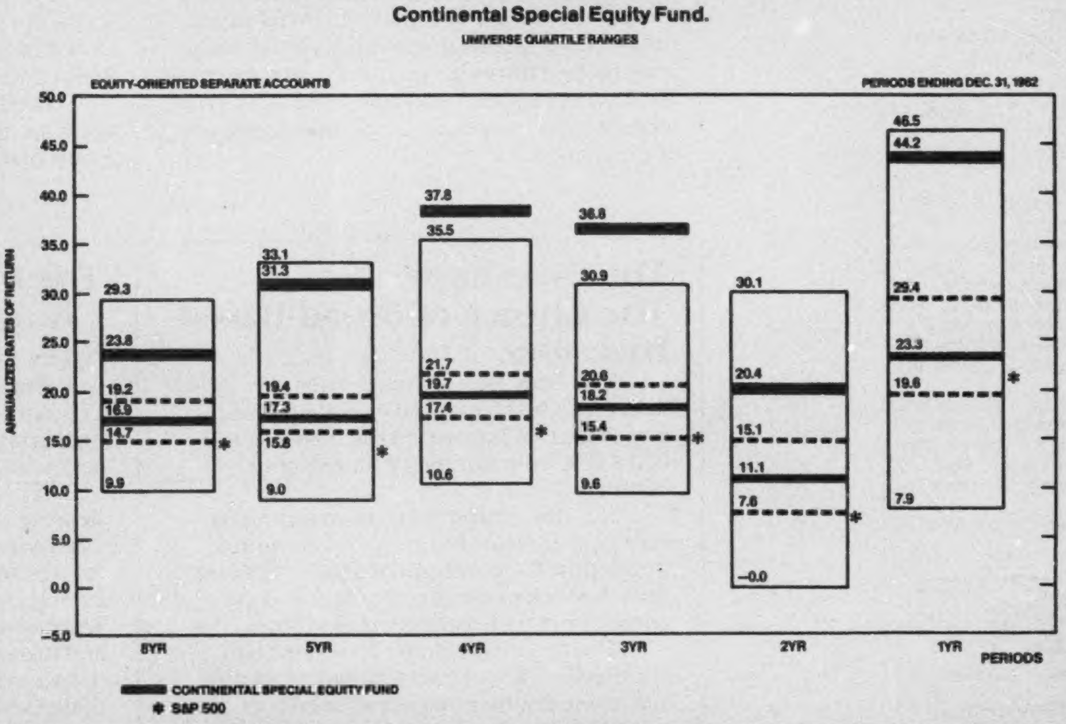
499 Park Ave., New York, N.Y. 10022;
(212) 688-8181

Total assets mgd.	$700,000,000
Tax-exempt assets mgd:	
Total	na
Fully discretionary	na
Real estate assets mgd	$700,000,000
Minimum separate account	$100,000,000
Tax-exempt clients	2
Types of accounts mgd	CG
No. of portfolio mgrs	10
Size of research staff	6

Jones Lang Wootton Realty Advi-

Jones Lang continues on page 58

Here's one equity manager that won't change the subject when you ask about performance.



Note: Investment performance information courtesy of Frank Russell Company.

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CONTINENTAL BANK
Investment Services
Continental Illinois National Bank and Trust Company of Chicago, 30 North LaSalle Street, Chicago, Illinois 60693

**This universe consists of a minimum of 72 portfolios managed by investment counselors and banks.

Jones Lang continued from page 57

sors makes direct real estate investments mostly in existing office building, shopping center, light industrial and hotel properties.

John A. Weisz, president, is the chief investment officer and the client contact.

Jundt/Capen Associates Inc.

1660 So. Highway 100, Minneapolis,
Minn. 55416; (612) 541-0677

Total assets mgd.	$40,000,000
Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	$40,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	2
Types of accounts mgd	CJ
No. of portfolio mgrs	2
Size of research staff	0

Jundt/Capen Associates Inc. offers two equity products. One emphasizes small-emerging growth issues; the other involves medium- to large-size growth with superior relative or cyclical earnings prospects.

As of Jan. 1, the asset mix was 100% stocks.

Clients include Dana Corp. and Frank Russell Equity Trust.

James R. Jundt, chairman, and Gary T. Capen, president, are the chief investment officers and the client contacts.

k

KPSP Investment Management

1623 Farnam St., Suite 700, Omaha,
Neb. 68102; (402) 449-1400

Total assets mgd.	$60,000,000
Tax-exempt assets mgd:	
Total	$54,000,000
Fully discretionary	$24,000,000
Minimum separate account	na
Tax-exempt clients	19
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	2
Size of research staff	2

KPSP Investment Management employs a contrarian approach to equities with an emphasis on small- and medium-capitalization stocks. For fixed income, it invests in staggered maturities and adjusts the average maturity in anticipation of interest rates.

As of Jan. 1, the asset mix was 70% stocks, 20% bonds and 10% cash.

Clients include the Omaha Construction Industry Pension Plan and the Omaha Police and Firemen's Retirement Trust.

Randall D. Greer, vice president, is the chief investment officer and the client contact.

Kahn Brothers & Co. Inc.

60 Broad St., New York, N.Y. 10004;
(212) 558-1644

Total assets mgd.	$125,000,000
Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	$25,000,000
Minimum separate account	$500,000
Tax-exempt clients	25
Types of accounts mgd	CEF
No. of portfolio mgrs	6
Size of research staff	0

Kahn Bros. & Co. employs fundamental security analysis in the Graham & Dodd tradition to identify investments that have potential for the realization of those values. For fixed income, the firm concentrates on higher grade credits and frequently invests in less conventional instruments in an effort to improve yield without sacrificing credit quality.

As of Jan. 1, the asset mix was 45% stocks, 35% bonds and 20% cash.

Alan R. Kahn, president, is the chief investment officer; Thomas G. Kahn, executive vice president, is the client contact.

A.M. Kailing & Associates

4070 Three First National Plaza,
Chicago, Ill. 60602; (312) 236-7540

Total assets mgd.	$62,000,000
Tax-exempt assets mgd:	
Total	$50,000,000
Fully discretionary	$50,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	6
Types of accounts mgd	CEF
No. of portfolio mgrs	1
Size of research staff	1

A.M. Kailing & Associates, an equity manager, selects securities based on rapidly increasing earnings and high asset value relative to the price of the security.

As of Jan. 1, the asset mix was 78% stocks, 5% bonds and 17% cash.

Clients include General Dynamics, Hines Lumber Co., Marmon Group and Rust-Oleum Corp.

A. Michael Kailing, president, is the chief investment officer and the client contact.

Kangyo Kakumaru Capital Management Corp.

1 State Street Plaza, New York, N.Y.
10004; (212) 509-4661

Total assets mgd.	NA
Tax-exempt assets mgd:	
Total	NA
Fully discretionary	NA
Minimum separate account	$1,000,000
Tax-exempt clients	NA
Types of accounts mgd	NA
No. of portfolio mgrs	8
Size of research staff	56

Kangyo Kakumaru Capital Management Corp. is a recently established international investment advisory subsidiary of Kangyo Kakumaru Research Institute.

Yukiya Murai, executive vice president of the research institute, is the chief investment officer; Keiji Wada, president of the advisory firm, is the client contact.

Kanne, Paris & Hoban

135 S. LaSalle St., Chicago, Ill. 60603;
(312) 372-2255

Total assets mgd.	$25,000,000
Tax-exempt assets mgd:	
Total	$12,000,000
Fully discretionary	$12,000,000
Minimum separate account	$500,000
Tax-exempt clients	7
Types of accounts mgd	CF
No. of portfolio mgrs	3
Size of research staff	3

Kanne, Paris & Hobank selects stocks in companies with strong financial fundamentals that are undervalued in the market. For fixed income, the firm buys maturities up to five years with 20% maturing each year.

As of Jan. 1, the asset mix was 90% stocks and 10% cash.

Jeffrey C. Kanne, president, is the chief investment officer; Ernest J. Dunston, director of client services, is the client contact.

Thomas L. Karsten Associates

405 Montgomery St., Suite 1300, San
Francisco, Calif. 94104; (415)
544-5476

Total assets mgd.	$140,000,000

Karsten continues on page 59

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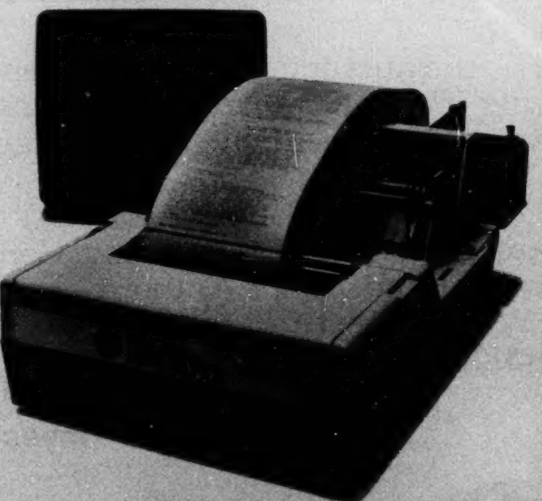

Karsten continued from 58

Tax-exempt assets mgd:	
Total	$140,000,000
Fully discretionary	$70,000,000
Real estate assets mgd	$140,000,000
Minimum separate account	$40,000,000
Tax-exempt clients	4
Types of accounts mgd	na
No. of portfolio mgrs	na
Size of research staff	na

Thomas L. Karsten Associates and Karsten Institutional Realty Advisors are solely real estate advisers.

As of Jan. 1, the asset mix was 100% equity real estate.

Clients include LTV, Lockheed and the Los Angeles County Employees Retirement Association.

A. Redmond Doms Jr. is the chief investment officer; Donald C. Luchessa, senior vice president, is the client contact.

William J. Kautz Associates Inc.

170 Broadway, Room 201, New York, N.Y. 10038; (212) 227-3330

Total assets mgd.	$23,000,000
Tax-exempt assets mgd:	
Total	$23,000,000
Fully discretionary	$23,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	2
Types of accounts mgd	GJ
No. of portfolio mgrs	2
Size of research staff	1

William J. Kautz Associates looks for growth at the right price-earnings ratio. It recognizes value in stocks and uses market timing and a technical capability. It uses dollar averaging for fixed income.

As of Jan. 1, the asset mix was 53% stocks, 43% bonds and 4% cash.

Clients include Amalgamated Meatcutters Local 342 and the Superior Officer Council of the Police Department of New York City.

William J. Kautz is chief investment officer and client contact.

KAMCO, Keeley Asset Management Co.

120 S. LaSalle St., Chicago, Ill. 60603; (312) 443-0820

Total assets mgd.	$2,000,000
Tax-exempt assets mgd:	
Total	$1,000,000
Fully discretionary	$1,000,000
Minimum separate account	$0
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	1

KAMCO's typical portfolio is invested 70% to 80% in high yield common stocks on which options are written. Twenty percent to 30% is invested in emerging growth stocks. As well as using options, the firm uses stock index futures in its portfolios.

As of Jan. 1, the asset mix was 100% stocks.

John L. Keeley Jr., is the chief investment officer and the client contact.

Kemper Financial Services

120 S. LaSalle St., Chicago Ill. 60603; (312) 845-1958

Total assets mgd.	$2,300,000,000
Tax-exempt assets mgd:	
Total	$2,300,000,000
Fully discretionary	$2,300,000,000
International assets mgd	$76,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	47
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	15

Kemper Financial Services emphasizes earnings growth momentum at reasonable price-earnings multiples through the full spectrum of equity securities. The construction of bond portfolios is a function of Kemper's current interest-rate forecast within a parameter that is attentive to the risk/reward relationship of the yield curve.

As of Jan. 1, the asset mix was 54% stocks, 35% bonds and 11% cash.

Clients include the Arizona State Retirement System, St. Regis Paper Co., Pillsbury Co. and Shell Oil.

Gordon P. Wilson is the chief investment officer; Timothy H. Kilfoil, director of marketing, is the client contact.

Kennedy Associates

2400 Financial Center, Seattle, Wash. 98161; (206) 624-9640

Total assets mgd.	$1,700,000,000
Tax-exempt assets mgd:	
Total	$1,700,000,000
Fully discretionary	$1,700,000,000
Real estate assets mgd	$240,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	60
Types of accounts mgd	GJ
No. of portfolio mgrs	11
Size of research staff	5

Kennedy Associates uses growth stocks and a sector rotation philosophy for equities. For fixed income, it uses interest-rate anticipation and sector analysis. Kennedy Associates uses options, stock-index futures and fixed-income futures.

As of Jan. 1, the asset mix was 32% stocks, 52% bonds, 2% cash, 10% equity real estate and 4% mortgages.

Clients include International Ironworkers, the Pacific Coast I.B.E.W., the Orange County (Calif.) Employees and the Chicago Carpenters.

Duff Kennedy, president, is the chief investment officer; Roger V. Kelly, vice president, is the client contact.

Kennedy Capital Management Inc.

425 N. New Ballas Road, Suite 181, St. Louis, Mo. 63141; (314) 432-0400

Total assets mgd.	$33,000,000
Tax-exempt assets mgd:	
Total	$26,000,000
Fully discretionary	$26,000,000
Minimum separate account	$200,000
Tax-exempt clients	75
Types of accounts mgd	CEFJ
No. of portfolio mgrs	1
Size of research staff	1

Kennedy Capital Management buys emerging growth companies that are statistically undervalued and very conservative fundamentally. Strategies are adjusted with industry group rotation and movements in the overall markets.

As of Jan. 1, the asset mix was 70% stocks and 30% cash.

Gerald T. Kennedy, president, is the chief investment officer; Thomas F. Basso, vice president, is the client contact.

Thomas D. Kienlen Corp.

975 Oak St., Suite 625, Eugene, Ore. 97401; (503) 686-2744

Total assets mgd.	$4,000,000
Tax-exempt assets mgd:	
Total	$3,000,000
Fully discretionary	$3,000,000
Minimum separate account	$10,000
Tax-exempt clients	5
Types of accounts mgd	CJ
No. of portfolio mgrs	12
Size of research staff	1

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Kienlen Corp. continued on 60

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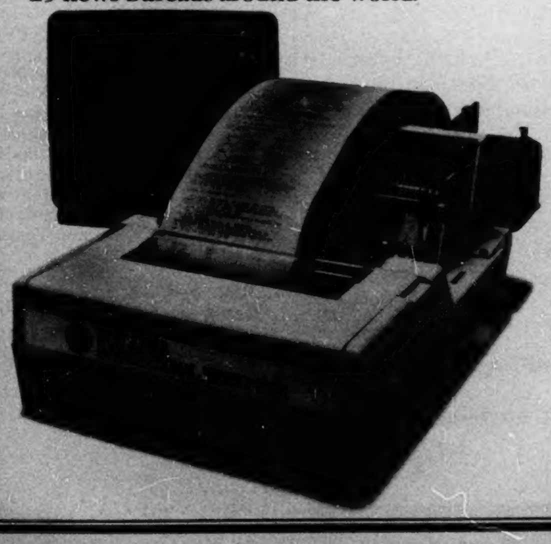

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market timing approach using mutual funds exclusively, including equity and money market funds. The firm uses options but not for market timing.

As of Jan. 1, the asset mix was 100% equity mutual funds.

Thomas D. Kienlen, president, is the chief investment officer and the client contact.

Kingsley, Jennison, McNulty & Morse Inc.

220 Sansome St., Suite 1100, San Francisco, Calif. 94104; (415) 433-5844

Total assets mgd.	$371,000,000
Tax-exempt assets mgd:	
Total	$338,000,000
Fully discretionary	$338,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	66
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	1

Kingsley, Jennison, McNulty & Morse protects clients portfolios in adverse markets through its asset allocation. Portfolios' equity holdings compete for their position with approximately 45 others on the basis of anticipated 18-month performance. For fixed income, the firm uses a short-term defensive strategy invested in U.S. government guaranteed securities.

As of Jan. 1, the asset mix was 75% stocks, 17% bonds and 8% cash.

Clients include Kimberly-Clark, Ozark Airlines, the Clorox Co. and Air Products & Chemicals.

Richard K. Kingsley, president, is the chief investment officer; Samuel B. Breck, senior vice president, is the client contact.

Kirr, Marbach & Co.

522 Franklin St., P.O. Box 1729, Columbus, Ind. 47202; (812) 376-9444

Total assets mgd.	$107,000,000
Tax-exempt assets mgd:	
Total	$82,000,000
Fully discretionary	$82,000,000
Minimum separate account	$500,000
Tax-exempt clients	74
Types of accounts mgd	CEF
No. of portfolio mgrs	1
Size of research staff	2

Kirr, Marbach & Co. uses growth and low price-earnings ratio stocks. It employs sector rotation. For fixed income, it uses interest-rate anticipation.

As of Jan. 1, the asset mix was 62% stocks, 25% bonds and 13% cash.

Terry C. Marbach, vice president, secretary and treasurer, is the chief investment officer; David M. Kirr, president, is the client contact.

Knowles & Armstrong Inc.

326 Third Ave., Pittsburgh, Pa., 15222; (412) 391-6707

Total assets mgd.	$33,000,000
Tax-exempt assets mgd:	
Total	$17,000,000
Fully discretionary	$15,000,000
Minimum separate account	$100,000
Tax-exempt clients	27
Types of accounts mgd	CEJ
No. of portfolio mgrs	3
Size of research staff	0

Knowles & Armstrong follows a growth stock approach to equities. For fixed income, maturities are staggered at generally 10 years or less. The firm considers itself an equity and options manager.

As of Jan. 1, the asset mix was 65% stocks, 20% bonds and 15% cash.

Clients include the Children's Home of Pittsburgh, Schneider Dairy Profit-Sharing Trust, the Bethany College option account and the Western Pennsylvania School for Blind Children.

Henry H. Armstrong, president, is the chief investment officer; Albert P. Knowles, vice president, is the client contact.

Kreger Capital Management

20180 Governors Highway, Suite 206, Olympia Fields, Ill. 60461; (312) 481-1314

Total assets mgd.	$11,000,000
Tax-exempt assets mgd:	
Total	$4,000,000
Fully discretionary	$2,000,000
Real estate assets mgd	$1,000,000
Minimum separate account	0
Tax-exempt clients	17
Types of accounts mgd	CE
No. of portfolio mgrs	2
Size of research staff	2

Kreger Capital Management is a market timer in equity investments. For fixed income, it determines the market trend and buys up and sells down.

As of Jan. 1, the asset mix was 50% stocks, 25% bonds, 5% cash, 15% equity real estate and 5% hard assets such as gold, silver and gems.

Donald F. Kreger is chief investment officer and client contact.

Nicholas B. Kronwall Inc.

32 N. Stone Ave., Suite 1512, Tucson, Ariz. 85701; (602) 622-7671

Total assets mgd.	$75,000,000
Tax-exempt assets mgd:	
Total	$58,000,000
Fully discretionary	$58,000,000
Minimum separate account	$10,000
Tax-exempt clients	11
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	2
Size of research staff	1

Nicholas B. Kronwall Inc. concentrates on stocks with strong earnings momentum and with low relative and absolute price-earnings ratios. For fixed income, the firm uses interest-rate anticipation and concentrates on credit quality. Convertibles may be used as substitutes for straight debt.

As of Jan. 1, the asset mix was 68% stocks, 15% bonds and 17% cash.

Nicholas B. Kronwall, president, is the chief investment officer and the client contact.

Landauer Advisors Inc.

200 Park Ave., Suite 3710, New York, N.Y. 10166; (212) 687-2323

Total assets mgd.	$600,000,000
Tax-exempt assets mgd:	
Total	$35,000,000
Fully discretionary	$35,000,000
Real estate assets mgd	$600,000,000
Minimum separate account	$50,000,000
Tax-exempt clients	4
Types of accounts mgd	C
No. of portfolio mgrs	5
Size of research staff	4

Landauer Advisors, a subsidiary of Landauer Associates Inc., invests only in the equity of existing, well-tenanted, well-located, high-quality real estate.

As of Jan. 1, the asset mix was 100% equity real estate.

Clients include pension plans of Dutch Shell and Unilever of London.

Patrick J. Callan is the chief investment officer and the client contact.

The Landsing Corp.

800 El Camino Real, Menlo Park, Calif. 94025; (415) 321-7100

Total assets mgd.	$300,000,000
Tax-exempt assets mgd:	
Total	$100,000,000
Fully discretionary	na
Real estate assets mgd	$300,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	50
Types of accounts mgd	CE
No. of portfolio mgrs	na
Size of research staff	na

Landsing Corp. deals exclusively with real estate. It has a professional staff of 50. All of its real estate research is generated internally.

As of Jan. 1, the asset mix was 85% equity real estate and 15% convertible mortgages.

Clients include Federal Farm Credit Bank, 7th District Pension Plan, Western Airlines Pension Plan and Stanford University Endowment Fund.

Gary K. Barr, president, is the chief investment officer; J. Grayson Sanders, executive vice president, is the client contact.

LaSalle Advisors Inc.

11 S. LaSalle St., Chicago, Ill. 60603; (312) 782-5800

Total assets mgd.	$550,000,000
Tax-exempt assets mgd:	
Total	$550,000,000
Fully discretionary	na
Real estate assets mgd	$550,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	na
Types of accounts mgd	na
No. of portfolio mgrs	na
Size of research staff	na

LaSalle Advisors Inc. is a subsidiary of LaSalle Partners Inc. The company is involved in real estate.

As of Jan. 1, the asset mix was 100% equity real estate.

Stanislaw Maliszewski, vice president, is the chief investment officer.

Cyrus J. Lawrence Inc.

115 Broadway, New York, N.Y. 10006; (212) 962-2200

Total assets mgd.	$197,000,000
Tax-exempt assets mgd:	
Total	$47,000,000
Fully discretionary	$42,000,000
Minimum separate account	$200,000
Tax-exempt clients	41
Types of accounts mgd	CEF
No. of portfolio mgrs	5
Size of research staff	17

Cyrus J. Lawrence Inc. uses a value oriented approach to investing and is willing to use higher price-earnings if the market moves in that direction. The firm's fixed-income approach is based on interest rate anticipation.

As of Jan. 1, the asset mix was 63% stocks, 21% cash and 16% bonds.

James E. Moltz, president and chairman of the board, is the chief investment officer; W. David Wister is the client contact.

Lawrence-Pearce Urstadt Advisors

90 Park Ave., New York, N.Y. 10016; (212) 962-2200

Total assets mgd.	NA
Tax-exempt assets mgd:	
Total	NA
Fully discretionary	NA
Minimum separate account	NA
Tax-exempt clients	NA
Types of accounts mgd	NA
No. of portfolio mgrs	NA
Size of research staff	NA

Lawrence-Pearce continued on 61

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Lawrence-Pearce from page 60

Lawrence-Pearce Urstadt Advisors is a subsidiary of Cyrus J. Lawrence Holdings/Pearce Urstadt, Mayer & Greer Inc.

The company, an investment advisor of equity real estate, is in the start-up phase of its First Institutional Realty Fund.

Robert P. O'Brien, vice president, is the client contact.

Lazard Freres Asset Management

1 Rockefeller Plaza, New York, N.Y. 10020; (212) 489-6600

Total assets mgd.	$2,400,000,000
Tax-exempt assets mgd:	
Total	$1,855,000,000
Fully discretionary	$1,500,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	70
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	7

Lazard Freres Asset Management, a subsidiary of Lazard Freres & Co., uses proprietary research and the Graham & Dodd approach for equities.

For fixed income, the firm's valuation process examines credit quality and yield differentials. After the maturity decision, it selects securities that offer higher returns consistent with its standards of quality.

As of Jan. 1, the asset mix was 70% stocks, 25% bonds and 5% cash.

Clients include AT&T, Bakery and Confectionery Union, Owens-Illinois and New York State Common Retirement System.

Norman Eig and Herbert W. Gullquist are the chief investment officers; Mark W. Hamilton is the client contact.

R.M. Leary & Co. Inc

3300 E. First Ave., Suite 380, Denver, Colo. 80206; (303) 320-1063

Total assets mgd.	$25,000,000
Tax-exempt assets mgd:	
Total	$23,000,000
Fully discretionary	$23,000,000
Minimum separate account	$100,000
Tax-exempt clients	92
Types of accounts mgd	CFG
No. of portfolio mgrs	3
Size of research staff	3

R.M. Leary & Co. uses a bond fund, an anchor money market fund and a volatile stock fund to take advantage of dependable stock market fluctuations. For fixed income, the firm has money markets within each mutual fund group that are used only during bearish markets.

As of Jan. 1, the asset mix was 100% stocks.

Bob Leary, president, is the chief investment officer; Kate Lee, vice president, is the client contact.

John H. Lee & Co.

1450 Post Oak Tower, Houston, Texas 77056; (713) 627-1292

Total assets mgd.	$20,000,000
Tax-exempt assets mgd:	
Total	$20,000,000
Fully discretionary	$12,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	20
Types of accounts mgd	CGJ
No. of portfolio mgrs	2
Size of research staff	2

John H. Lee & Co. specializes in convertible securities.

As of Jan. 1, the asset mix was 80% bonds, 10% stocks and 10% cash.

John H. Lee is the chief investment officer and client contact.

Legg Mason Capital Management Inc.

7 E. Redwood St., Baltimore, Md. 21203; (301) 539-3400

Total assets mgd.	$3,000,000
Tax-exempt assets mgd:	
Total	$1,000,000
Fully discretionary	$1,000,000
Minimum separate account	$100,000
Tax-exempt clients	4.
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	4

Legg Mason Capital Management uses a "value approach" stressing the purchase of securities that appear to be undervalued in relation to the long-term earning power or asset value of their underlying companies.

The firm anticipates interest rate changes for fixed income.

As of Jan. 1, the asset mix was 60% stocks, 30% cash and 10% bonds.

Ernest C. Kiehne is the chief investment officer; Philip E. Sachs, president, is the client contact.

Lehman Management Co. Inc.

55 Water St., New York, N.Y. 10041; (212) 558-3324

Total assets mgd.	$6,118,000,000
Tax-exempt assets mgd:	
Total	$3,335,000,000
Fully discretionary	$3,285,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	130
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	19
Size of research staff	10

Lehman Management Co.is a subsidiary of Lehman Bros. Kuhn Loeb Inc. The firm employs a contrarian value-oriented total return approach with risk control for Taft-Hartley funds. For corporate funds, it purchases growth-oriented securities at reasonable prices.

For bonds, the firm is an active manager, with an approach based on interest rate forecasts and proprietary quantitative techniques.

As of Jan. 1, the asset mix was 70% bonds, 20% stocks and 10% cash.

Clients include Bricklayers and Trowel Trades International Pension Fund, Graphic Arts International Union Supplemental Retirement and Disability Fund, Halliburton Co. and New York City Employees' Retirement System.

Coleman M. Brandt and James R.F. Guy, executive vice presidents, are the chief investment officers; Robert A. Arkison and H. Scott Higgins are the client contacts.

Leland O'Brien Rubinstein Associates Inc.

1900 Avenue of the Stars, Suite 1080, Los Angeles, Calif. 90067; (213) 552-9100

Total assets mgd.	$600,000,000
Tax-exempt assets mgd:	
Total	$600,000,000
Fully discretionary	na
Minimum separate account	$5,000,000
Tax-exempt clients	12
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	3

Leland O'Brien Rubinstein's investment approach is based on its Dynamic Asset Allocation/Protective Portfolio Management, originally developed by the firm.

Options, stock index futures and fixed-income futures are hedging devices used by the firm.

As of Jan. 1, the asset mix was 90% stocks and 10% bonds.

Clients include Alfred University, Honeywell Inc., FNB Chicago and Mid Continent Capital.

Hayne E. Leland, chairman, is the chief investment officer; John W. O'Brien, president, is the client contact.

Julian A. Lerner & Associates Inc.

2100 Republic Bank Tower, Dallas, Texas 75201; (214) 742-6567

Total assets mgd.	$160,000,000
Tax-exempt assets mgd:	
Total	$157,000,000
Fully discretionary	$157,000,000
Minimum separate account	$4,000,000
Tax-exempt clients	26
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	1

Julian A. Lerner focuses on companies with high earnings and growth rates, and accelerating earnings and revenue trends for equities. For fixed income, the firm's approach is passive

As of Jan. 1, the asset mix was 72% stocks and 28% cash equivalents.

Clients include McGraw Edison, Aerospace Corp., Siebert Lutheran Foundation and Paper Converting Machine Co.

Julian A. Lerner, president, is the chief investment officer and the client contact.

Lesesne & Co. Inc.

229 Peachtree St., N.E., Suite 700, Atlanta, Ga. 30303; (404) 581-0708

Total assets mgd.	$31,000,000
Tax-exempt assets mgd:	
Total	$30,000,000
Fully discretionary	$30,000,000
Minimum separate account	$100,000
Tax-exempt clients	53
Types of accounts mgd	CEJ
No. of portfolio mgrs	1
Size of research staff	1

Lesesne & Co. utilizes three high-quality stock, bond and money market no-load mutual funds, moving among them as it sees fit. Interest rate anticipation is the firm's fixed-income approach.

As of Jan. 1, the asset mix was 100% cash.

Clients include Altanta Plumbers & Steamfitters Local #72, Coronet Industries, Rock-Tenn Co. and Sheetmetal Workers Local #85.

Brannon B. Lesesne, president, is the chief investment officer; F. Robert Seay, vice president, is the client contact.

Lexington Management Corp.

580 Sylvan Ave., Englewood Cliffs, N.J. 07632; (201) 567-2000

Total assets mgd.	$903,000,000
Tax-exempt assets mgd:	
Total	$273,000,000
Fully discretionary	$273,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	38
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	4

Lexington Management, a subsidiary of Piedmont Management Corp., uses fundamental analysis and a bottom-up process. It purchases equities in any industry if the appreciation potential is justified.

For fixed income, the firm employs interest rate anticipation with a defensive underpinning. Options is a hedging device.

As of Jan. 1, the asset mix was 44% bonds, 39% stocks and 17% cash.

Robert DeMichele and John W. Johnson are the chief investment officers; Joseph Barcic Jr., executive vice president, is the client contact.

Leylegian Investment Management

3000 Sand Hill Road, Menlo Park, Calif. 94025; (415) 854-7313

Total assets mgd.	$85,000,000
Tax-exempt assets mgd:	
Total	$85,000,000
Fully discretionary	$85,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	5
Types of accounts mgd	CF
No. of portfolio mgrs	1
Size of research staff	2

Leylegian Investment Management anticipates economic cycles and corporate profits, rotating among eco

Leylegian profile continues on 62

Top 25 Real Estate Advisers
(includes taxable assets)

Rank	Advisor	Total	Equity ($ millions)	Fixed
1.	TIAA/CREF	6,433	684	5,749
2.	Prudential Insurance	4,596	4,483	113
3.	Chemical Mortgage Co.	4,075	40	4,036
4.	Equitable Life Assurance	2,320	2,011	309
5.	Balcor/American Express Inc.	2,000	1,714	286
6.	The RREEF Funds	1,500	1,500	0
7.	Morgan Guaranty Trust	1,425	675	750
8.	Corporate Property	1,257	917	340
9.	Aetna Life Insurance Co.	1,114	849	265
10.	Chase Investors	900	900	0
11.	Copley Real Estate Advisors	760	760	0
12.	Richard Ellis Inc.	746	746	0
13.	Citicorp	743	479	264
14.	Coldwell Banker	730	730	0
15.	John Hancock	727	585	142
16.	Jones Lang Wootton	700	700	0
17.	Security Pacific Corp.	700	500	200
18.	Victor Palmieri and Co.	695	175	520
19.	Schroder Real Estate Corp.	650	650	0
20.	Eastdil Advisers Inc.	600	570	30
21.	Great West Life	600	180	420
22.	Landauer Advisors Inc.	600	600	0
23.	LaSalle Advisors Inc.	550	550	0
24.	Texas Commerce Bank	505	489	16
25.	Equitec Institutional Realty	500	500	0
	TOTAL	36,426	21,987	13,439

Top 25 International Advisers

Rank	Advisor	Total	Equity ($ millions)	Fixed
1.	Morgan Guaranty Trust Co.	2,200	1,400	800
2.	TIAA/CREF	1,279	829	450
3.	G.T. Capital Management	534	534	0
4.	State Street Bank & Trust	422	422	0
5.	Morgan Grenfell	402	390	12
6.	The Putnam Advisory	396	270	126
7.	T. Rowe Price Associates	315	250	65
8.	Chase Investors	305	75	230
9.	Julius Baer Investment	300	60	2400
10.	Morgan Stanley Asset	267	0	267
11.	Citicorp	264	162	102
12.	Templeton Investment	242	242	0
13.	Brown Bros., Harriman	230	70	1600
14.	Warburg Investment	226	151	75
15.	CIGNA Corp.	200	100	100
16.	Continental Illinois	200	0	200
17.	BEA Associates Inc.	150	75	75
18.	Capital Guardian Trust	150	120	30
19.	Ivory & Sime International	142	127	15
20.	First National Bank-Chicago	136	74	62
21.	Schroder Capital Management	120	102	18
22.	Scudder, Stevens & Clark	92	78	14
23.	Prudential Insurance	90	78	12
24.	Baring International	85	85	0
25.	Kemper Financial Services	76	13	63
	TOTAL	8,823	5,707	3,116

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Leylegian continued from page 61

nomic sectors using self-discipline.

As of Jan. 1, the asset mix was 100% cash.

Jack H. Leylegian II is the chief investment officer and the client contact.

Lincoln Capital Management Co.

208 S. LaSalle St., Chicago, Ill. 60604; (312) 726-8968

Total assets mgd.	$1,730,000,000
Tax-exempt assets mgd:	
Total	$1,717,000,000
Fully discretionary	$1,717,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	42
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	na

Lincoln Capital Management uses valuation disciplines with substantial emphasis on quality growth stock for equity investments.

The firm's fixed-income approach is active but with an assured minimum return. Stock index futures and fixed-income futures are hedging devices.

As of Jan. 1, the asset mix was 54% bonds, 42% stocks and 4% cash.

Clients include AT&T, GM, commonwealth of Virginia and Ford Foundation.

J. Parker Hall III, president, is the client contact.

Lincoln First Bank

Lincoln First Square, Rochester, N.Y. 14643; (716) 258-5000

Total assets mgd.	$2,800,000,000
Tax-exempt assets mgd:	
Total	$750,000,000
Fully discretionary	$750,000,000
Master trust assets	$100,000,000
Master custodian assets	$140,000,000
Minimum separate account	$500,000
Tax-exempt clients	306
Types of accounts mgd	CEF
No. of portfolio mgrs	17
Size of research staff	6

Lincoln First Bank's equity approach focuses on growth stocks, including emerging growth stocks, supplemented by opportunistic investing.

For fixed-income, the bank uses a combination of interest rate anticipating, sector analysis and market responses. Options is a hedging device.

As of Jan. 1 the asset mix was 55% stocks, 35% bonds and 10% cash.

W. Christopher Maxwell, senior vice president, is the chief investment officer; Don A. Hessler, vice president, is the client contact.

Lincoln National Life Insurance Co.

P.O. Box 1110, Fort Wayne, Ind. 46801; (219) 427-4700

Total assets mgd.	$10,000,000,000
Tax-exempt assets mgd:	
Total	$3,088,000,000
Fully discretionary	$3,088,000,000
Real estate assets mgd	$30,000,000
Minimum separate account	$500,000
Tax-exempt clients	2,800
Types of accounts mgd	CGJ
No. of portfolio mgrs	10
Size of research staff	14

Lincoln National Life uses a top-down approach to equity investing, based on macroeconomic studies and economic forecasts.

For fixed income, the company anticipates interest rate changes. The company looks for quality securities with good call protection. High current income is an important requirement. Fixed-income futures is a hedging device.

As of Jan. 1, the asset mix was 52% bonds, 28% mortgages, 17% stocks and 3% cash.

Clients include Ford Motor Co., Federal Express, General Electric and National Can Corp.

C. David Silleto, president, is the chief investment officer; Ronald L. Cannon, vice president-investments, is the client contact.

Lipper Analytical Services Inc.

5 Carol Road, Westfield, N.J. 07090; (201) 233-8100

Total assets mgd.	$85,000,000
Tax-exempt assets mgd:	
Total	$77,000,000
Fully discretionary	$58,000,000
International assets mgd	$3,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	6
Types of accounts mgd	CF
No. of portfolio mgrs	3
Size of research staff	16

Lipper Analytical Services invests in mutual funds. For equity investing it uses a bottom-up strategy, investing in funds that have a history of concentration success.

For fixed income, the firm's primary vehicle is money market funds; on occasion high- or low-quality long-term bond funds are used.

As of Jan. 1, the asset mix was 100% investment companies.

Clients include American Stock Exchange Inc., Population Council Inc., PPG Industries and Foundation for Child Development.

A. Michael Lipper, president, is the chief investment officer; Gordon L. Mills, vice president, is the client contact.

Loomis, Sayles & Co. Inc.

225 Franklin St., Boston, Mass. 02110; (617) 482-2450

Total assets mgd.	$9,706,000,000
Tax-exempt assets mgd:	
Total	$7,485,000,000
Fully discretionary	$5,434,000,000
Minimum separate account	na
Tax-exempt clients	386
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	34
Size of research staff	25

Loomis, Sayles & Co., a subsidiary of New England Life Insurance, uses a flexible group rotation approach among all types of stocks, based on the company's equity valuation process.

Its fixed-income approach is based on a flexible maturity structure with emphasis on reaping the benefits of credit research by seeking out underrated issues. Options is used as a hedging device.

As of Jan. 1, the asset mix was 64% bonds, 30% stocks and 6% cash.

Clients include AT&T, Federated Department Stores, Norfolk Southern and Rohm and Hass.

Robert L. Kemp, president and chief executive officer, is the chief investment officer; Charles C. Thomas, vice president and director of marketing, is the client contact.

Lord, Abbett & Co.

63 Wall St., New York, N.Y. 10005; (212) 425-8720

Total assets mgd.	$4,322,000,000
Tax-exempt assets mgd:	
Total	$1,817,000,000
Fully discretionary	$1,817,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	23
Types of accounts mgd	CE
No. of portfolio mgrs	7
Size of research staff	16

Lord, Abbett & Co. uses the Graham & Dodd approach for equity investments. Holdings are characterized by low ratios of price to estimated trend-line earnings, dividend and net asset value, relative to the corresponding ratio for the S&P 500.

The firm's fixed-income approach relies on anticipation of interest rates, internal credit evaluation and fundamental yield-spread relationships. The firm invests in undervalued segments of the bond market.

As of Jan. 1, the asset mix was 89% stocks, 6% bonds and 5% cash.

Clients include Yale University, Monsanto Co., AT&T and Marathon Oil.

John M. McCarthy is the chief investment officer; Ronald P. Lynch is the client contact.

Lowry Management Corp.

350 Royal Palm Way, Palm Beach, Fla. 33480; (305) 655-1511

Total assets mgd.	$94,000,000
Tax-exempt assets mgd:	
Total	$94,000,000
Fully discretionary	$94,000,000
Minimum separate account	na
Tax-exempt clients	na
Types of accounts mgd	CE
No. of portfolio mgrs	4
Size of research staff	6

Lowry Management uses market timing through statistical probabilities for its equity approach.

As of Jan. 1, the asset mix was 100% stocks.

Paul F. Desmond, chairman, is the chief investment officer; Burr E. Stevens is the client contact.

Lynch & Mayer Inc.

650 Fifth Ave., New York, N.Y. 10019; (212) 246-7760

Total assets mgd.	$365,000,000
Tax-exempt assets mgd:	
Total	$354,000,000
Fully discretionary	$354,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	18
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	1

Lynch & Mayer Inc. invests in companies undergoing positive fundamental changes such as acceleration of growth, a turnaround, an improved industry environment or a corporate restructuring.

As of Jan. 1, the asset mix was 85% stocks and 15% cash.

Clients include Allied Corp., Florida Power & Light, Metropolitan Museum of Art and CBS Inc.

Eldon C. Mayer Jr. is the chief investment officer; Dennis P. Lynch is the client contact.

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M&I Investment Management Corp./Marshall & Ilsley Bank

770 North Water St., Milwaukee, Wis. 53201; (414) 765-7770

Total assets mgd.	$1,296,000,000
Tax-exempt assets mgd:	
Total	$610,000,000
Fully discretionary	$602,000,000
Master trust assets	$1,100,000,000
Master custodian assets	$800,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	686
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	4

M&I Investment Management is a subsidiary of Marshall & Ilsley Corp.

The firm's equity approach stresses contrarian stock selection and a blend of fundamental and technical analysis. Extremely price sensitive, the firm works within the time frame of no more than one year.

For fixed income, the firm's active bond managers use only intermediate term bonds focusing on weighted average maturity through yield curve and sector analysis.

Master trust and master custodian services are provided by Marshall and Ilsley Bank.

As of Jan. 1, the asset mix was 45% bonds, 40% stocks and 15% cash.

Clients include Great Northern Nekoosa, AMCA International, Emerson Electric and Wisconsin Gas Co.

William E. Fritz, vice president and director, and William J. Gumerman, vice president, are the chief investment officers; Judith C. Murphy, vice president, is a client contact.

M&T Bank

1 M&T Plaza, Buffalo, N.Y. 14240; (716) 842-5086

Total assets mgd.	$567,000,000
Tax-exempt assets mgd:	
Total	$274,000,000
Fully discretionary	na
Minimum separate account	$100,000
Tax-exempt clients	521
Types of accounts mgd	CEFJ
No. of portfolio mgrs	7
Size of research staff	0

M&T Bank is a subsidiary of First Empire State Corp.

M&T's equity approach is passive; the bank invests primarily to provide above-average total return through income and capital growth within reasonable limits of volatility.

The bank's fixed-income approach is to minimize principle risk. The maximum maturity of any issue in a portfolio is five years, with a weighted average maturity of three years.

Roy Neureuter, vice president, is chief investment officer; Dennis Kennedy, vice president, is client contact.

Top 25 Master Trust Banks

Rank	Master Trustee	Assets ($ millions)
1.	Chase Manhattan	50,000
2.	Bankers Trust Co.	38,000
3.	The Northern Trust Co.	30,100
4.	State Street Bank & Trust Co.	24,400
5.	Mellon Bank	22,000
6.	Harris Trust and Savings Bank	15,500
7.	Manufacturers Hanover Trust Co.	14,045
8.	Citicorp	12,084
9.	The Boston Co.	11,543
10.	Wells Fargo	7,800
11.	Crocker National Bank	7,500
12.	Wachovia Bank & Trust Co.	7,400
13.	Continental Illinois	7,046
14.	BA Investment Management Corp.	7,032
15.	RepublicBank Dallas	6,316
16.	The First National Bank of Chicago	5,291
17.	United States Trust Co. of New York	4,450
18.	Irving Trust Co.	3,360
19.	Bank of New York	3,200
20.	National Bank of Detroit	3,155
21.	Philadelphia National Bank	1,314
22.	First Trust Co. of St. Paul	1,275
23.	First Wisconsin Trust Co.	1,270
24.	Marine Midland Bank	1,200
25.	Texas Commerce Bank	1,200
26.	TOTAL	286,481

Top 5 Trust Companies

Rank	Trust Company	Assets ($ millions)
1.	Capital Guardian Trust Co.	8,322
2.	Fiduciary Trust Co. of New York	5,600
3.	Trust Co. of the West	4,200
4.	Eagle Management & Trust Co.	1,064
5.	Frank Russell Trust Co.	645
	TOTAL	19,831

MH/Edie Investment Counsel

600 Fifth Ave., New York, N.Y. 10020; (212) 957-1207

Total assets mgd.	$1,751,000,000
Tax-exempt assets mgd:	
Total	$1,510,000,000
Fully discretionary	$1,272,000,000
Real estate assets mgd	$487,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	161
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	18
Size of research staff	18

MH/Edie is a subsidiary of Manufacturers Hanover Trust Co.

The company's equity approach is to use economic and market environment projections and anticipate emerging market themes to identify attractive industries and stocks before they are recognized in the market.

Its fixed-income approach involves selecting a maturity mix corresponding to the interest rate outlook, yield curve volatility and total return variability in the fixed-income markets.

MH/Edie uses options.

As of Jan. 1, the asset mix was 35% bonds, 31% mortgages, 21% stocks, 12% cash and 1% equity real estate.

Clients include Construction Laborers for Southern California, Cement Masons of Southern California, Arizona Laborers and Tennessee Natural Gas.

Victor J. Melone, senior vice president and deputy general manager, is the chief investment officer. Rudolph Abel Jr., director, vice president and chief portfolio officer, is the client contact in New York. Contact local offices for client contacts in other areas.

MPT Associates

600 Fifth Ave., New York, N.Y. 10020; (212) 247-5858

Total assets mgd.	$835,000,000
Tax-exempt assets mgd:	
Total	$835,000,000
Fully discretionary	$835,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	6
Types of accounts mgd	CFG
No. of portfolio mgrs	3
Size of research staff	1

MPT Associates is a subsidiary of Manufacturers Hanover.

MPT uses a fundamentally based, controlled stock selection process. Research sources are carefully measured for accuracy before the diversified portfolios are chosen.

Stock index futures is used as a hedging device.

As of Jan. 1, the asset mix was 99% stocks and 1% cash.

Clients include New York State Teachers, State of Virginia Supplemental Retirement System, G.A.T.X. Corp. and John and Mary R. Markle Foundation.

James L. Farrell Jr., chairman, is the chief investment officer; William F. Brock, vice president, is the client contact.

MPACT Securities

P.O. Box 2266, Austin, Texas 78780; (512) 479-5723

Total assets mgd.	$250,000,000
Tax-exempt assets mgd:	
Total	$25,000,000
Fully discretionary	$20,000,000
Minimum separate account	$100,000
Tax-exempt clients	90
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	6

American National Bank of Austin is the parent company of MPACT Securities.

MPACT pursues a top-down approach to equity investments. For fixed income, the company tends to shift from very short to very long-term holdings.

Options are used extensively as a hedging device.

As of Jan. 1, the asset mix was 70% stocks, 20% bonds and 10% cash.

Clients include St. Edwards Endowment, Tracor, Folsom Inv. Corp. and Affliated Computer Systems.

Randy Bateman, president, is the chief investment officer; Karen Lowrey is the client contact.

MacKay-Shields Financial Corp.

551 Fifth Ave., New York, N.Y. 10176; (212) 986-1100

Total assets mgd.	$4,208,000,000
Tax-exempt assets mgd:	
Total	$3,922,000,000
Fully discretionary	$3,922,000,000
Minimum separate account	$30,000,000
Tax-exempt clients	85
Types of accounts mgd	CEFG
No. of portfolio mgrs	13
Size of research staff	5

MacKay-Shields invests in growth and emerging growth stocks, using a market apprcach for equity investments. The firm's objective is to produce annual returns greater than inflation and the S&P 500.

The firm's fixed-income approach is active and opportunistic, using market

MacKay Shields continues on 63

MacKay continued from page 62

timing to invest in convertibles and floating rate notes.

Options are used as a hedging device.

As of Jan. 1, the asset mix was 74% stocks, 18% bonds and 8% cash.

William R. Grant, chairman, is the chief investment officer; William H. Todd, executive director, is the client contact.

Madison Investment Advisors Inc.

402 Gammon Place, Madison, Wis. 53719; (608) 833-6300

Total assets mgd.	$55,000,000
Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	$40,000,000
Minimum separate account	$500,000
Tax-exempt clients	35
Types of accounts mgd	CF
No. of portfolio mgrs	3
Size of research staff	0

Madison Investment Advisors uses a conservative approach to market timing for its stock investment approach. By monitoring strategic economic and market variables, the firm maintains investment flexibility while optimizing returns.

The fixed-income approach is based on anticipating interest rate changes. Options, stock index futures and fixed-income futures are hedging devices.

As of Jan. 1, the asset mix was 50% stocks, 25% bonds and 25% cash.

Clients include University (of Wisconsin) Physicians and the American Society of Agronomy.

Frank E. Burgess is the chief investment officer; Marilyn Holt Smith is the client contact.

Mallard, Brogdon & Associates Inc.

722 Mutual Bldg. P.O. Box 463, Richmond, Va. 23202; (804) 780-1001

Total assets mgd.	$105,000,000
Tax-exempt assets mgd:	
Total	$5,000,000
Fully discretionary	$5,000,000
Minimum separate account	$500,000
Tax-exempt clients	3
Types of accounts mgd	CG
No. of portfolio mgrs	3
Size of research staff	0

Mallard, Brogdon & Associates is an active manager and uses the Graham & Dodd approach for equity investments. The firm uses interest rate anticipation and sector analysis for fixed income.

Options and fixed-income futures are hedging devices. Stock index futures use is being planned.

As of Jan. 1, the asset mix was 50% bonds, 30% stocks and 20% cash.

A. Daniel Mallard, president, is the chief investment officer and the client contact.

Management Asset Corp.

19 Compo Road South, P.O. Box 5006, Westport, Conn. 06881; (203) 226-4768

Total assets mgd.	$210,000,000
Tax-exempt assets mgd:	
Total	$196,000,000
Fully discretionary	$196,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	15
Types of accounts mgd	CF
No. of portfolio mgrs	4
Size of research staff	0

Management Asset Corp. uses a bottom-up approach for equity investments.

As of Jan. 1, the asset mix was 100% stocks.

Clients include Combustion Engineering Inc., Minnesota Mining & Manufacturing, Teachers' Retirement System (City of New York) and Xerox Corp.

Leonard M. Heine Jr. is the chief investment officer and the client contact.

Manufacturers Hanover Trust Co.

600 Fifth Ave., New York, N.Y. 10020; (212) 957-0760

Total assets mgd.	$21,800,000,000
Tax-exempt assets mgd:	
Total	$12,800,000,000
Fully discretionary	$12,800,000,000
Master trust assets	$14,045,000,000
Master custodian assets	$196,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	175
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	17
Size of research staff	19

Manufacturers Hanover Trust is a balanced equity manager. Its primary thrust is directed toward identifying sectors and industries that are attractive on the basis of market and economic projections.

For fixed income, the company's active management selects a maturity mix appropriate to the interest rate outlook, yield curve volatility and total return variability.

Options and fixed-income futures are hedging devices.

As of Jan. 1, the asset mix was 50% bonds, 45% stocks and 5% cash.

Clients include AT&T, General Foods, New York State Teachers and Warner Communication.

Victor J. Melone, senior vice president and deputy manager, is the chief investment officer.

William C. Petty III, vice president, is the client contact.

Marine Midland Bank

250 Park Ave., New York, N.Y. 10177; (212) 949-6661

Total assets mgd.	$3,100,000,000
Tax-exempt assets mgd:	
Total	$870,000,000
Fully discretionary	$870,000,000
Master trust assets	$1,200,000,000
Master custodian assets	$200,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	21
Types of accounts mgd	CFJ
No. of portfolio mgrs	6
Size of research staff	8

Marine Midland Bank is a subsidiary of Marine Midland Banks Inc.

The bank's equity approach is price-conscious, fundamental and opportunistic, seeking stocks in companies that are oversold, underresearched, restructuring or in turnaround situations.

The bank looks for inefficiencies in the bond markets that can be exploited by anticipation of interest rate movements and by being positioned to react quickly to the unexpected.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include AT&T, Niagara Mohawk, Ingersoll-Rand and Dunlop Tire and Rubber.

Hiram F. Moody Jr., executive vice president, is the chief investment officer; Edward D. Higgins, administrative vice president, is the client contact.

The Marine Trust Co.

111 E. Wisconsin Ave., Milwaukee, Wis. 53202; (414) 765-2811

Total assets mgd.	$1,200,000,000
Tax-exempt assets mgd:	
Total	$560,000,000
Fully discretionary	$480,000,000
Master trust assets	$35,000,000
Master custodian assets	$500,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	570
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	14
Size of research staff	0

Marine Trust's equity strategy seeks growth stocks of firms that have solid financing, unique products, superior marketing talent and reasonable asset valuation relative to the growth potential.

The company's bond strategy emphasizes a readiness to shift bond maturities as interest-rate and economic projections dictate.

As of Jan. 1, the asset mix was 50% bonds, 40% stocks and 10% cash.

Clients include GTE, Briggs & Stratton, Blue Cross/Blue Shield and Milwaukee Retail Food Clerks.

M. Dale Fritz, senior vice president, is the chief investment officer; Don Preston, vice president, is the client contact.

Markston International Inc.

404 Fifth Ave., 6th Fl., New York, N.Y. 10018; (212) 947-5450

Total assets mgd.	$193,000,000
Tax-exempt assets mgd:	
Total	$80,000,000
Fully discretionary	$80,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	1
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	0

Markston International, a subsidiary of Mutual Benefit Life Insurance

Markston continued on page 64

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Markston continued from page 63

uses the Graham & Dodd approach for equity investments. The firm's fixed-income approach employs interest rate anticipation and sector analysis. Options is a hedging device used by the firm.

As of Jan. 1, the asset mix was 93% stocks, 5% cash and 2% bonds.

Clients include Mutual Benefit Life Insurance Co.

John R. Stone, president, is the chief investment officer and the client contact.

Maryland National Bank

10 Light St., Baltimore, Md. 21202;
(301) 244-1250

Total assets mgd.	$562,000,000
Tax-exempt assets mgd:	
Total	$118,000,000
Fully discretionary	na
Master trust assets	$50,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	323
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	3

Maryland National Bank employs a top-down market timing approach for equity investing, with heavy concentration in favored industries.

The bank is an active bond manager and anticipates interest rate changes.

As of Jan. 1, the asset mix was 34% bonds, 37% cash, 27% stocks, 1% equity real estate and 1% mortgages.

Clients include Baltimore Life, Rite Aid, Duron Paint and Baltimore County General Hospital.

Gary Langbaum, vice president investments, is the chief investment officer; Margaret A. Muse, senior employee benefits officer, is the client contact.

William Mason & Co. Inc.

21241 Ventura Blvd., Woodland Hills,
Calif. 91364; (213) 884-6837

Total assets mgd.	$80,000,000
Tax-exempt assets mgd:	
Total	$52,000,000
Fully discretionary	$50,000,000
Minimum separate account	$100,000
Tax-exempt clients	400
Types of accounts mgd	CF
No. of portfolio mgrs	3
Size of research staff	1

William Mason & Co. employs market timing for its equity and fixed-income investments. Options and stock index futures are hedging devices used by the firm.

As of Jan. 1, the asset mix was 80% stocks, 10% bonds and 10% cash.

William F. Mason is the chief investment officer; George N. Olson, regional manager, is the client contact.

Massachusetts Financial Services Co.

200 Berkeley St., Boston, Mass.
02116; (617) 423-3500

Total assets mgd.	$2,230,000,000
Tax-exempt assets mgd:	
Total	$2,149,000,000
Fully discretionary	$1,591,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	21
Types of accounts mgd	CFGJ
No. of portfolio mgrs	12
Size of research staff	16

Massachusetts Financial Services is a subsidiary of Sun Life Assurance Co. of Canada, U.S.

For equities, the firm stresses a flexible portfolio structure utilizing out-of-favor companies with improving fundamentals. The firm's capital appreciation style emphasizes smaller companies and market momentum.

For bonds, it offers limited maturity, cash-based, high-income and dedicated accounts. Its yield curve and rate analysis determine maturity and sector positions of actively managed high-quality portfolios.

As of Jan. 1, the asset mix was 78% bonds, 16% stocks and 6% cash.

Clients include AT&T, Alcoa, County of Los Angeles and Virginia Supplemental Retirement System.

A. Keith Brodkin, senior executive vice president, is the chief investment officer; Stephen J. Darby Jr., vice president, is the client contact.

Massachusetts Mutual Life Insurance Co.

1295 State St., Springfield, Mass.
01111; (413) 788-8411

Total assets mgd.	$11,152,000,000
Tax-exempt assets mgd:	
Total	$3,200,000,000
Fully discretionary	$3,200,000,000
Real estate assets mgd	$35,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	2,700
Types of accounts mgd	CGJ
No. of portfolio mgrs	7
Size of research staff	32

Massachusetts Mutual Life's equity approach is value-oriented, selecting well-capitalized low-debt companies with stocks paying above-average dividends. Investment is made for the long term, seeking a superior return with minimal variability.

The firm's fixed-income approach is to earn a superior rate of return while protecting capital value from excessive volatility. Marketable securities from all sectors of the maturity, quality and issuer class are selected as market conditions warrant.

As of Jan. 1, the asset mix was 75% stocks, 16% cash, 6% equity real estate and 3% bonds.

Richard G. Dooley, executive vice president and chief investment officer, is the chief investment officer; Peter J. Vogian, vice president, group pension sales, is the client contact.

MassCo Investment Management Corp.

99 High St., Boston, Mass. 02170;
(617) 338-3600

Total assets mgd.	$365,000,000
Tax-exempt assets mgd:	
Total	$119,000,000
Fully discretionary	$119,000,000
International assets mgd	$1,000,000
Minimum separate account	$250,000
Tax-exempt clients	70
Types of accounts mgd	CEG
No. of portfolio mgrs	8
Size of research staff	0

MassCo maintains a top-down surveillance of economic sectors and market subgroups. The current research emphasis is on subgroups appearing undervalued and, technically, no worse than neutral.

The company's fixed-income emphasis is on identifying oversold market segments offering significant yield advantages at acceptable risk levels. MassCo is willing to take positions in unknown, undervalued issues, and is willing to switch to cash and to avoid long maturities.

As of Jan. 1, the asset mix was 60% stocks, 32% bonds and 8% cash.

Clients include Rhode Island Hospital, R.W. Beck Employee Benefit Plan, Gamble Deaconess Home Association and Nyman Manufacturing Co. Pension Plan.

George F. Wilkins Jr., senior vice president, is the chief investment officer; Albert H. Elfner III, president, is the client contact.

McCowan Associates Inc.

70 Pine St., New York, N.Y. 10270;
(212) 480-8700

Total assets mgd.	$800,000,000
Tax-exempt assets mgd:	
Total	$700,000,000
Fully discretionary	$695,000,000
Minimum separate account	na
Tax-exempt clients	26
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	3

McCowan Associates identifies and invests in businesses with prospects for superior sustainable growth.

For fixed income, the firm uses interest rate forecasts that determine maturity term structure, either very long or very short. Security selection emphasizes high quality and marketability issues.

As of Jan. 1, the asset mix was 74% stocks, 20% cash and 6% bonds.

Clients include AT&T, Texaco, Carnegie Foundation and Samuel H. Kress Foundation.

Bruce J. McCowan, principal and chairman, is the chief investment officer; Paul F. Pfeiffer, principal, is the client contact.

McCullough & Andrews Inc.

235 Montgomery St., San Francisco,
Calif. 94104; (415) 956-8700

Total assets mgd.	$280,000,000
Tax-exempt assets mgd:	
Total	$225,000,000
Fully discretionary	$225,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	35
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	0

McCullough & Andrews' equity stategy is based on maintenance of buying power through growth of earnings and dividends on relatively lower price earnings values purchased on a timely basis at the lower end of their relative trading ranges.

The firm's fixed-income portfolio investments are based on the interest outlook nearer term with liquidity and quality given top considerations. Identification of major trends is paramount.

As of Jan. 1, the asset mix was 55% stocks, 40% bonds and 5% cash.

Clients include University of Santa Clara, Oakland Police & Fire Retirement System, Pacific Stock Exchange and Hawaii Laborers Pension.

Robert F. McCullough, president, is the chief investment officer and client contact.

McDowell National Bank

66 E. State St., Sharon, Pa. 16146;
(412) 981-1411

Total assets mgd.	$180,000,000
Tax-exempt assets mgd:	
Total	$33,000,000
Fully discretionary	$28,000,000
Minimum separate account	$500,000
Tax-exempt clients	60
Types of accounts mgd	CFGJ
No. of portfolio mgrs	1
Size of research staff	0

McDowell National Bank's equity approach is a two-step process combining standard fundamental research and quantitative data utilizing computer models based on relative strength, earnings momentum and equity valuation to achieve customer objectives.

The bank's fixed-income approach is a three-step process combining interest rate forecasts, sector analysis and a variety of quantitative techniques for the measurement and management of risk.

As of Jan. 1, the asset mix was 43% cash, 25% stocks, 25% bonds, 5% equity real estate and 2% mortgages.

Clients include city of Sharon, Mercer County and NVF Corp.

Michael B. Hephner, vice president trust investments, is the chief investment officer; William J. Bishop and George W. Ketler are the client contacts.

C.S. McKee & Co. Inc.

2900 U.S. Steel Bldg., Pittsburgh, Pa.
15219; (412) 566-1234

Total assets mgd.	$406,000,000
Tax-exempt assets mgd:	
Total	$406,000,000
Fully discretionary	$403,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	47
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	4

C.S. McKee's equity approach emphasizes the preservation of capital by employing equity assets only when there is a high probability of success. This strategy is based upon judgment of the overall market.

The company's fixed-income approach maximizes bond returns by identifying interest rate directions and varying bond maturities to take advantage of those directions.

Generally, the firm uses quality bonds with maturities of 15 years or less are used.

As of Jan. 1, the asset mix was 53% stocks, 41% bonds and 6% cash.

Clients include Buhl Foundation, Ironworkers Locals #549 and #550, Ryan Homes Inc. and Westmoreland County.

Charles E. Jacobs, president, is the chief investment officer; James H. Hanes, executive vice president, is the client contact.

McMillion/Eubanks Capital Management

Suite 1019 Wachovia Bank Bldg.,
P.O. Box 21447, Greensboro, N.C.
27420; (919) 274-4876

Total assets mgd.	$21,000,000
Tax-exempt assets mgd:	
Total	$16,000,000
Fully discretionary	$16,000,000
Minimum separate account	$500,000
Tax-exempt clients	21
Types of accounts mgd	CF
No. of portfolio mgrs	3
Size of research staff	2

The firm uses an investment process based on standardized unexpected earnings. This identifies companies that have earnings expanding relative to some base or norm. Stocks identified by standardized unexpected earnings are subjected to technical and fundamental screens prior to sales or purchase.

As of Jan. 1, the asset mix was 52% stocks and 48% bonds.

Clients include Carlyle & Co., Oakwood Homes Corp., Weaver Cos. and Childrens Home Foundaton.

McGehee Parker, president, is the chief investment officer and the client contact.

R. Meeder & Associates Inc.

3366 Riverside Drive, P.O. Box
21100, Columbus, Ohio 43221;
(614) 457-8100

Total assets mgd.	$120,000,000
Tax-exempt assets mgd:	
Total	$113,000,000
Fully discretionary	$113,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	224
Types of accounts mgd	CEF
No. of portfolio mgrs	5
Size of research staff	0

R. Meeder's equity objective is to provide a consistently positive rate of return regardless of market cycles. The firm requires a flexible posture toward asset mix.

The firm's fixed-income approach is based on interest rate anticipation. Options and stock index futures are used as hedging devices.

As of Jan. 1, the asset mix was 50% stocks and 50% cash.

Clients include RAX Systems, Columbus & Southern Electric Co., Grant Hospital and Publix Supermarkets.

Robert S. Meeder is the chief investment officer; Dennis F. Dicke is the client contact.

Mellon Bank

Mellon Square, Pittsburgh, Pa. 15230;
(412) 234-3384

Total assets mgd.	$12,984,000,000
Tax-exempt assets mgd:	
Total	$8,771,000,000
Fully discretionary	$8,771,000,000
Master trust assets	$22,000,000,000
Master custodian assets	$350,000,000
International assets mgd	$30,000,000
Minimum separate account	$0
Tax-exempt clients	975
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	17
Size of research staff	22

Mellon Bank believes the most important functions of equity investment management are the systematic search for undervalued securities and the control of portfolio risk. A highly disciplined approach to portfolio management uses both traditional and quantitative analysis.

Mellon believes market, quality and sector exposures are important determinants of fixed-income portfolios. The active fixed-income management process involves the control of portfolio risk exposures as well as the purchase of specific undervalued bonds. For passive management, Mellon offers immunized and dedicated bond portfolios, including contingent immunization and index-matching portfolios.

As of Jan. 1, the asset mix was 55% bonds, 33% stocks and 12% cash.

Charles M. Kelso, is the chief investment officer; Thomas H. Kalen, is the client contact.

Mellon-Pictet International Management Ltd.

15 Trinity Square, London EC3N 4AP,
England; 01 488 2039

Total assets mgd.	$130,000,000
Tax-exempt assets mgd:	
Total	$47,000,000
Fully discretionary	$47,000,000
International assets mgd	$47,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	6
Types of accounts mgd	CF
No. of portfolio mgrs	4
Size of research staff	1

Mellon-Pictet is a subsidiary of both Pictet & Co. and Mellon Bank; it specializes in international investing.

The firm's equity approach actively shifts assets into relatively attractive currencies, equity markets, sectors and individual shares.

For fixed income, the firm shifts assets into attractive currencies and local bond markets, and manages portfolio maturities to optimize the return from interest rate movements.

As of Jan. 1, the asset mix was 97% stocks and 3% cash. Dan H. Blanks, president, is the chief investment officer and the client contact.

Mercantile Safe Deposit & Trust Co.

P.O. Box 2257 Two Hopkins Plaza,
Baltimore Md. 21203; (301)
237-5629

Total assets mgd.	$2,000,000,000
Tax-exempt assets mgd:	
Total	$1,200,000,000
Fully discretionary	$1,200,000,000
Master trust assets	$1,100,000,000
Master custodian assets	$1,100,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	150
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	6

Mercantile continues on page 64

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At Bessemer our minimum account of $2 million invested in our Common Stock Fund returned 22.8% per year over the last 5 years for a total of $5,585,000. The *median* fund measured by A.G. Becker appreciated at 15.2% to $4,058,000.

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Bessemer Trust

Affiliated with Bessemer Trust Company, New Jersey and Bessemer Trust Company of Florida

Mercantile continued from 64

Mercantile Safe Deposit & Trust is a subsidiary of Mercantile Bankshares Corp.

Mercantile emphasizes a value-oriented approach that combines analyst recommendations with a proprietary qualitative model. The firm believes issues with low price-earnings and higher dividend yields will produce superior results in time.

For fixed income, the bank has a strategic approach to risk aversion. It uses quantitative data disciplines and yield curve simulators to define and control potential portfolio risk.

Options is used as a hedging device.

As of Jan. 1, the asset mix was 38% cash, 31% stocks and 31% bonds.

Clients include City of Baltimore, National Football League, General Public Utilities and National Retired Teachers Association.

Brian Topping, executive vice president, is the chief investment officer; Victoria Sollers, senior marketing officer, is the client contact.

Mercantile Securities Corp.

P.O. Box 225415, Dallas, Texas
75265; (214) 698-6869

Total assets mgd.	$1,093,000,000
Tax-exempt assets mgd:	
Total	$739,000,000
Fully discretionary	$739,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	15
Types of accounts mgd	CFGJ
No. of portfolio mgrs	8
Size of research staff	na

Mercantile Securities Corp. is growth oriented in its equity investments. It calls itself a "theme player" and "industry/sector shifter" and says it manages investments in a rotational style.

For fixed income, the company takes a forward-looking approach, emphasizing those issues where rating changes are anticipated. Outside credit rating sources are used in addition to the internally generated efforts in this area.

As of Jan. 1, the asset mix was 63% stocks, 25% cash and 12% bonds.

Clients include Texas Medical Liability Trust, General Board of Pension of the United Methodist Church and Allied Finance Co.

John D. McStay, president, is the chief investment officer and the client contact.

Mercantile Trust Co.

P.O. Box 387, St. Louis, Mo. 63166;
(314) 425-2603

Total assets mgd.	$3,600,000,000
Tax-exempt assets mgd:	
Total	$1,800,000,000
Fully discretionary	$1,220,000,000
Master custodian assets	$69,000,000
Minimum separate account	$500,000
Tax-exempt clients	367
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	16

Mercantile Trust uses a value-oriented approach for equities that stresses fundamental and research-oriented analysis along with a definitive valuation process.

The company's fixed-income strategy centers around economic research credit analysis and an outlook for interest rates. Major interest rate cycles are emphasized rather than trying to capitalize on short-term fluctuations.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds, 7% cash and 3% equity real estate.

Clients include Moog Automotive, Ozark Air Lines, Pott Industries and Kellwood Corp.

John H. Blixen II, senior vice president, is the chief investment officer; Edmund J. Thimme Jr., senior vice president institutional trust, is the client contact.

Merchants Investment Counseling Inc.

1 Merchants Plaza, Suite 838 East,
Indianapolis, Ind. 46204; (317)
267-7704

Total assets mgd.	$350,000,000
Tax-exempt assets mgd:	
Total	$210,000,000
Fully discretionary	$210,000,000
Real estate assets mgd	$3,000,000
International assets mgd	$5,000,000
Minimum separate account	$500,000
Tax-exempt clients	80
Types of accounts mgd	CEFJ
No. of portfolio mgrs	4
Size of research staff	2

Merchants Investment Counseling is a subsidiary of Merchants National Corp.

The company's approach to equities is kept consistent with market trends, with selection emphasis on earnings momentum and increasing earnings expectations.

For fixed-income management, the company is conservative, with emphasis on consistent positive returns and principal stability. Options is a hedging device.

As of Jan. 1, the asset mix was 52% stocks, 22% bonds, 24% cash and 2% equity real estate.

Clients include Ball Corp., Stokely-Van Camp, Hanover College and Teamster Local #142.

Barry F. Ebert, president, is the chief investment officer and the client contact.

Merchants National Bank

Trust Division P.O. Box 2519, Cedar
Rapids, Iowa 52406; (319)
398-4221

Total assets mgd.	$300,000,000
Tax-exempt assets mgd:	
Total	$100,000,000
Fully discretionary	$92,000,000
Master trust assets	$38,000,000
Minimum separate account	$80,000
Tax-exempt clients	100
Types of accounts mgd	CFJ
No. of portfolio mgrs	2
Size of research staff	3

Bank of Iowa is the parent company of Merchants National Bank.

Merchants National is now offering real estate investment.

The bank's equity approach favors industry groups with favorable prospects, and low price-earning issues within each group.

For fixed income, the bank anticipates interest rates, and stresses governments and marketable A rated or better corporate debt issues with a maximum maturity of 10 years, and an objective of a three- to five-year average portfolio life.

As of Jan. 1, the asset mix was 60% bonds and 40% stocks.

Clients include Iowa National, Iowa Manufacturing, St. Lukes Retirement and Shriners.

James E. Fine and Lowell D. Schroeder are the chief investment officers; Jeffrey E. Kaiden is the client contact.

Meridian Management Co.

500 Plaza West Bldg., Little Rock,
Ark. 72205; (501) 663-7055

Total assets mgd.	$208,000,000
Tax-exempt assets mgd:	
Total	$134,000,000
Fully discretionary	$134,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	4
Types of accounts mgd	CE
No. of portfolio mgrs	1
Size of research staff	3

Meridian Management Co. is a subsidiary of First Variable Life Insurance.

Meridian Management uses fundamental analysis, buying unpopular stocks at deep discounts from their intrinsic worth. The Graham & Dodd approach is used by the company. Portfolios are fully invested in equities at most times.

As of Jan. 1, the asset mix was 61% stocks and 39% bonds.

Clients include World Bank, Foxboro Co., Starr Commonwealth Schools and American Maize-Products Co.

Lee Bodenhamer, president, is the chief investment officer; Jack McQuilkin, vice president, is the client contact.

E.A. Merkle & Associates Inc.

12½ Bedford St., New York, N.Y.
10014; (212) 675-9269

Total assets mgd.	$8,000,000
Tax-exempt assets mgd:	
Total	$6,000,000
Fully discretionary	$6,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	na
Types of accounts mgd	CP
No. of portfolio mgrs	1
Size of research staff	na

E.A. Merkle bases its equity approach on the extent it believes investors are discounting cyclical and secular outlooks.

As of Jan. 1, the asset mix was 50% stocks and 50% cash.

Ned Merkle, president, is the chief investment officer and the client contract.

Merrill Lynch Asset Management

633 Third Ave., New York, N.Y.
10017; (212) 692-2000

Total assets mgd.	$46,000,000,000
Tax-exempt assets mgd:	
Total	$1,500,000,000
Fully discretionary	na
Minimum separate account	$100,000
Tax-exempt clients	527
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	42
Size of research staff	na

Merrill Lynch Asset Management, a subsidiary of Merrill Lynch, Pierce, Fenner & Smith, uses a variety of fundamental valuation techniques to identify greatest value in stocks. For fixed income, emphasis is placed on active management of the maturity structure and reserves, in anticipation of interest rate movements and credit evaluation as it relates to market value.

Eighty-five percent of the firm's total under management is money market assets. The firm uses options.

As of Jan. 1, the asset mix was 55% stocks, 25% bonds and 20% cash.

Art Zeikel, president, is the chief investment officer; Richard Jacobson, senior vice president, is the client contact.

Metropolitan Life Insurance Co.

1 Madison Ave., New York, N.Y.
10010; (212) 578-5103

Total assets mgd.	$50,211,000,000
Tax-exempt assets mgd:	
Total	$21,128,000,000
Fully discretionary	$21,012,000,000
Real estate assets mgd	$220,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	4,325
Types of accounts mgd	CG
No. of portfolio mgrs	22
Size of research staff	54

Metropolitan Life Insurance Co. invests primarily in quality companies that have above-average long-term earnings and dividend growth expectations. Fixed-income investments are allocated to the firm's general account.

As of Jan. 1, the asset mix was 46% stocks, 1% bonds, 24% cash, 22% equity real estate and 7% mortgages.

Clients include AT&T, Eastman Kodak, Mobil Oil and N.L. Industries.

Robert G. Schwartz, chairman of the board, is the chief investment officer; Frank J. Rudavsky Jr., vice president, is the client contact.

Michigan National Investment Corp.

21 E. Long Lake Road, Suite 110,
Bloomfield Hills, Mich. 48013; (313)
642-8000

Total assets mgd.	$724,000,000
Tax-exempt assets mgd:	
Total	$300,000,000
Fully discretionary	$300,000,000
Minimum separate account	$250,000
Tax-exempt clients	98
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	3

Michigan National is a subsidiary of Michigan National Corp.

The company's equity objective is capital appreciation and dividend growth achieved through emphasizing companies growing faster than the general economy.

For fixed income, the company seeks to achieve preservation of principal and above-average rates of return during the normal interest rate cycle by emphasizing intermediate-maturity, quality-rated issues in a well-diversified portfolio.

As of Jan. 1 the asset mix was 50% bonds, 45% stocks and 5% cash.

Dirk A. Willms, president, is the chief investment officer and the client contact.

Midlantic National Bank

Metro Park Plaza, P.O. Box 600,
Edison, N.J. 08818; (201) 321-8392

Total assets mgd.	$1,700,000,000
Tax-exempt assets mgd:	
Total	$900,000,000
Fully discretionary	$900,000,000
Master trust assets	$60,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	280
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	11
Size of research staff	4

Midlantic Banks Inc. is the parent company of Midlantic National Bank.

Midlantic National is value-oriented and a contrarian in its equity investments. Strong financials are essential and decision rules provide the discipline necessary to take advantage of market emotion.

The bank's fixed-income approach emphasizes locating undervalued sectors, identified by historical yield spreads and adjusting the maturity distribution through a comparison of current expected interest rate levels.

Options are used as a hedging device.

As of Jan. 1, the asset mix was 45% bonds, 30% stocks and 25% cash.

Clients include AT&T, Hoffman LaRoche Inc., PSE&G and Foster Wheeler.

Charles H. Jones Jr., senior vice president, is the chief investment officer; Jeffrey P. Moody, trust officer, is the client contact.

Miller, Anderson & Sherrerd

2 Bala Plaza, Bala Cynwyd, Pa.
19004; (215) 839-1620

Total assets mgd.	$1,922,000,000
Tax-exempt assets mgd:	
Total	$1,922,000,000
Fully discretionary	$1,922,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	25
Types of accounts mgd	CEFG
No. of portfolio mgrs	6
Size of research staff	na

Miller, Anderson & Sherrerd emphasizes a formalized and disciplined evaluation process in its equity investments.

The firm's fixed-income approach focuses on strategic market timing, especially in the mortgage market.

As of Jan. 1, the asset mix was 65% stocks, 33% bonds and 2% cash.

Clients include Pennwalt Corp., Pacific Gas & Electric, The Johns Hopkins University and SmithKline Beckman Corp.

Frederic Owen is client contact.

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Minnesota Mutual Life

400 N. Robert St., St. Paul, Minn.
55101; (612) 298-3694

Total assets mgd.	$2,048,000,000
Tax-exempt assets mgd:	
Total	$970,000,000
Fully discretionary	$970,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	2,000
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	8

Minnesota Mutual Life uses various equity approaches at any given time. Market timing, Graham & Dodd, growth stock, sector rotation are a few of the approaches used by the company.

For fixed income, the company uses a structured account duration to take advantage of anticipated long-term interest rate cycles. Sector yield spread swaps are used often during such cycles.

As of Jan. 1, the asset mix was 72% stocks, 16% cash and 12% bonds.

Clients include Minnesota Mining & Manufacturing, Paper, Calmenson & Co. and H.B. Fuller Co.

Joseph R. Bird, senior vice president, is the chief investment officer; Roger E. Larson, vice president, is the client contact.

Minton/Newbold's Capital Management

1500 Walnut St., Philadelphia, Pa.
19102; (215) 893-8480

Total assets mgd.	$102,000,000
Tax-exempt assets mgd:	
Total	$102,000,000
Fully discretionary	$102,000,000
Minimum separate account	$8,000,000
Tax-exempt clients	9
Types of accounts mgd	CEFG
No. of portfolio mgrs	2
Size of research staff	0

W.H. Newbold's Son & Co. is the parent company of Minton/Newbold's Capital Management.

Minton/Newbold offers two products for fixed-income investments—its Risk Premium Bond Management and Liability Liquidation Bond Management. The former is an active approach designed to produce stable returns; the latter is the firm's dedicated product.

Options are used as a hedging device.

As of Jan. 1, the asset mix for active accounts was 100% cash; dedicated portfolios have a much higher percentage of assets in bonds.

Lee W. Minton Jr, vice president, is the chief investment officer; Charles H. Hopkins, vice president, is the client contact.

Mitchell Hutchins Investment Advisors

140 Broadway, New York, N.Y.
10005; (212) 437-5350

Total assets mgd.	$500,000,000
Tax-exempt assets mgd:	
Total	$280,000,000
Fully discretionary	$280,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	100
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	0

Mitchell Hutchins' equity approach is value-oriented, focusing on high sustainable earnings growth.

The firm's fixed-income approach focuses on intermediate government issues, with bond percentages and maturities determined relative to credit cycles and the direction and level of inflation.

As of Jan. 1, the asset mix was 65% stocks, 22% bonds and 13% cash.

Jonathan L. Smith, senior vice president, is the chief investment officer; J. Peter Gaskins, vice president, is the client contact.

Monarch Investment Management Corp.

1250 State St., Springfield, Mass.
01133; (413) 785-5811

Total assets mgd.	$875,000,000
Tax-exempt assets mgd:	
Total	$56,000,000
Fully discretionary	$56,000,000
Real estate assets mgd	$2,000,000
Minimum separate account	$500,000
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	0

Monarch Capital Corp. is the parent company of Monarch Investment Management Corp.

Monarch Investment follows an active, value-oriented equity investment approach. The primary emphasis is on quality stocks, with a secondary focus on income. Opportunistic timing is used as conditions warrant.

The firm's fixed-income approach is passive. Options are used as a hedging device.

As of Jan. 1, the asset mix was 50% stocks, 44% bonds, 3% cash and 3% mortgages.

Clients include Variable Stock Fund, Fidelity Bankers Life, Monarch & Springfield Life Insurance Cos.

Richard E. Hickey, president, is the chief investment officer; H. Robert Van Gaasbeck, vice president, is the client contact.

Montag & Caldwell Inc.

2 Piedmont Center, Suite 500,
Atlanta, Ga. 30305; (404) 262-3480

Total assets mgd.	$460,000,000
Tax-exempt assets mgd:	
Total	$330,000,000
Fully discretionary	$320,000,000
Minimum separate account	$500,000
Tax-exempt clients	67
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	4

Montag & Caldwell Inc. is a subsidiary of Alexander & Alexander Services Inc.

The firm uses a bottom-up approach to equity investments that interrelates earnings momentum. For fixed income, interest rate anticipation is used.

Options are used as a hedging device.

As of Jan. 1, the asset mix was 70% stocks, 25% bonds and 5% cash.

Clients include Cone Mills, Wake Forest University, Land O'Lakes Inc. and Florida Progress Corp.

Solon P. Patterson, president, is the chief investment officer; Robert J. King, vice president, is the client contact.

Morgan Grenfell Investment Services

520 Madison Ave., Suite 3900, New
York, N.Y. 10022; (212) 715-1700

Total assets mgd.	$403,000,000
Tax-exempt assets mgd:	
Total	$402,000,000
Fully discretionary	$402,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	25
Types of accounts mgd	CF
No. of portfolio mgrs	4
Size of research staff	5

Morgan Grenfell Investment Services is a subsidiary of Morgan Grenfell & Co. that specializes in international management.

The firm is an active manager, focusing equally on equity market selection and stock selection; no investment is made without considering currency.

The firm uses comparative economic analysis between countries. Currencies are viewed from an intermediate-term viewpoint and fixed-income investments are made based on interest rate expectations and currency movements.

As of Jan. 1, the asset mix was 96% stocks, 3% cash and 1% bonds.

Clients include Allied Corp., Celanese, American Airlines and Exxon.

Michael Bullock, director, is the chief investment officer; Elliot Mark Gartner, director, is the client contact.

Morgan Guaranty Trust Co. of New York

9 W. 57th St., New York, N.Y. 10019;
(212) 826-7816

Total assets mgd.	$39,118,000,000
Tax-exempt assets mgd:	
Total	$19,300,000,000
Fully discretionary	$16,504,000,000
Real estate assets mgd	$1,425,000,000
International assets mgd	$2,200,000,000
Minimum separate account	na
Tax-exempt clients	729
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	73
Size of research staff	43

J.P. Morgan & Co. is the parent company of Morgan Guaranty Trust Co. of New York.

Morgan Guaranty of New York's equity investments are based on a systematic valuation approach using in-depth fundamental research.

The company's fixed-income investments are broadly diversified to seize opportunities. The firm emphasizes tailored portfolios, high credit quality through analysis, controlled maturity structure, and systematic strategy for allocating assets and timing market moves.

As of Jan. 1, the asset mix was 58% stocks, 21% bonds, 7% convertibles, 6% mortgages, 4% cash and 4% equity real estate.

Clients include Bell Systems, Armstrong World Industries, Boy Scouts of America and CIBA-Geigy Corp.

C. Nicholas Potter, senior vice president, is the chief investment officer; Martin J. Dowd, vice president, is the client contact.

Morgan Stanley Asset Management Inc.

1633 Broadway, New York, N.Y.
10019; (212) 974-4000

Total assets mgd.	$1,458,000,000
Tax-exempt assets mgd:	
Total	$906,000,000
Fully discretionary	$704,000,000
International assets mgd	$267,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	53
Types of accounts mgd	CEFJ
No. of portfolio mgrs	15
Size of research staff	0

Morgan Stanley Asset Management is a subsidiary of Morgan Stanley Inc.

Morgan Stanley Asset's equity approach favors investments in sectors that benefit from secular trends such as disinflation.

For fixed income, the company is an active manager with emphasis on generating predictable, stable, real rates of return throughout interest rate cycles. International diversification is also employed.

As of Jan. 1, the asset mix was 50% stocks, 45% bonds and 5% cash. The firm has about $207 million invested overseas, all of which is in foreign bonds.

Clients include Readers Digest, Torin Corp., Amherst College and American Foundation For The Blind.

Barton M. Biggs, chairman, is the chief investment officer; Stephen C. Whitman, director, is the client contact.

Morison Asset Management

1219 Marquette Ave. S., Suite 100,
Minneapolis, Minn. 55403; (612)
332-1588

Total assets mgd.	$70,000,000
Tax-exempt assets mgd:	
Total	$65,000,000
Fully discretionary	$65,000,000
Real estate assets mgd	$23,000,000
Minimum separate account	$500,000
Tax-exempt clients	40
Types of accounts mgd	CEFJ
No. of portfolio mgrs	4
Size of research staff	2

Morison Asset Management is a subsidiary of Morison International Inc.

Morison Asset's equity approach concentrates in core stocks and dominant companies in sectors with secular growth. Rapid-growth companies with underlying fundamental strength also are considered. Increasing attention is being given to foreign markets.

The firm relies on fixed-income securities offering quality and liquidity. It uses only treasuries and federal agency bonds when rates are falling; it searches out the highest returns on certificates of deposit when rates are rising or high.

As of Jan. 1, the asset mix was 50% bonds, 40% stocks and 10% cash.

Clients include Coca-Cola Bottling Midwest, Billy Graham Evangelistic Association, Elizabeth Quinlan Foundation and Conklin Cos.

Thomas J. Morison, chairman, is the chief investment officer; David L. Printy, president, is the client contact.

Muhlenkamp and Co. Inc.

Buttermilk Lane, Bradford Woods,
Pa. 15015; (412) 935-5643

Total assets mgd.	$11,000,000
Tax-exempt assets mgd:	
Total	$5,000,000
Fully discretionary	$4,000,000
Minimum separate account	$200,000
Tax-exempt clients	9
Types of accounts mgd	CFJ
No. of portfolio mgrs	1
Size of research staff	2

Muhlenkamp and Co. buys value stocks as determined by the firm. It is primarily an equity manager; 1982 marked the first time it moved into fixed income, although it expects to invest solely in equities 90% of the time.

As of Jan. 1, the asset mix was 75% stocks, 10% bonds and 15% cash.

Ronald H. Muhlenkamp, president, is the chief investment officer; H. Anthony Hodges, vice president, Pittsburgh, is the client contact.

Muller Asset Management

111 Broadway, New York, N.Y.
10006; (212) 766-1700

Total assets mgd.	$21,000,000
Tax-exempt assets mgd:	
Total	$8,000,000
Fully discretionary	$1,000,000
Minimum separate account	$250,000
Tax-exempt clients	12
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	5

Muller Asset Management is a subsidiary of Muller & Co. Inc.

Muller Asset's equity focus is on lower risk and high total return. Investment candidates' returns are compared with risk-free rates before being considered acceptable.

The firm's fixed-income investments are usually in the short- to intermediate-term sector. Options are used as a hedging device.

As of Jan. 1, the asset mix was 53% stocks, 36% bonds and 11% cash.

Richard Train, managing director, is the chief investment officer and the client contact.

Multinational Investments Inc.

3645 Warrensville Center Road,
Shaker Heights, Ohio 44122; (216)
752-8900

Total assets mgd.	$45,000,000
Tax-exempt assets mgd:	
Total	$17,000,000
Fully discretionary	$17,000,000
International assets mgd	$1,000,000
Minimum separate account	$450,000
Tax-exempt clients	27
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	0

Multinational investments' equity approach uses Graham & Dodd techniques; the firm has a defensive approach to equities.

For fixed income, the firm uses intermediate term bonds and will sell out if interest rates appear to rise.

Options are used as a hedging device.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include Brazeway, Ohio Screw Products and Cardinal Casualty.

Geofrey J. Greenleaf, president, is the chief investment officer and the client contact.

Mutual Benefit Life Insurance Co.

520 Broad St., Newark, N.J. 07101;
(201) 481-8000

Total assets mgd.	$5,550,000,000
Tax-exempt assets mgd:	
Total	$2,860,000,000
Fully discretionary	$2,860,000,000
Real estate assets mgd	$15,000,000
Minimum separate account	na
Tax-exempt clients	1,872
Types of accounts mgd	CGJ
No. of portfolio mgrs	10
Size of research staff	37

Mutual Benefit Life seeks oversold, under-followed or undervalued issues for equities.

For fixed income, the company employs immunization; it is primarily concerned with highest after-tax yields and matching asset and liability maturities.

As of Jan. 1, separately managed tax-exempt assets were invested 87% in stocks and 13% equity real estate.

Clients include Bell Systems Savings Plan, GTE, Clark Equipment Co. and Michigan Educators Financial Services Association.

Ted D. Simmons, executive vice president, is the chief investment officer; Robert Shapiro, executive vice president, is the client contact.

Mutual of New York (MONY)

1740 Broadway, New York, N.Y.
10019; (212) 708-2600

Total assets mgd.	$8,800,000,000
Tax-exempt assets mgd:	
Total	$2,650,000,000
Fully discretionary	$160,000,000
Real estate assets mgd	$14,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	2,500
Types of accounts mgd	CGJ
No. of portfolio mgrs	6
Size of research staff	21

MONY manages both growth and income equity accounts and relies upon quality companies with both universes.

For fixed income, MONY is passive with emphasis on credit worthiness and position during interest rate cycle.

As of Jan. 1, the asset mix was 65% stocks, 20% bonds, 10% cash and 5% equity real estate.

Clients include Zippo Inc., General Public Utilities, Anheuser-Busch and city of Owensboro, Ky.

Floyd Smith, senior vice president, is the chief investment officer; Philip N. Maisano, divisional vice president, is the client contact.

Mutual Service Life Insurance Co.

P.O. Box 43035, St. Paul, Minn.
55164; (612) 631-7300

Total assets mgd.	$267,000,000
Tax-exempt assets mgd:	
Total	$135,000,000
Fully discretionary	$126,000,000
Minimum separate account	na
Tax-exempt clients	444
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	0

Mutual Service Life, a subsidiary of MSI Insurance, employs a risk-averse approach to manage equity accounts. Its primary objectives are low volatility and consistency of returns.

For fixed income, the company is passive with intermediate-term bonds, B and A quality emphasized. Private placements and commercial mortgages are utilized for yield and diversification purposes.

As of Jan. 1, the asset mix of the company's general account, in which all investments are made, was 3% stocks, 72% bonds, 11% mortgage loans, 5% equity real estate and 9% other investments.

Clients include Land O'Lakes, National Cooperative Refinery Association, CENEX and Universal Cooperatives.

Loren A. Haugland, vice president, is the chief investment officer; David LaClare, director of pension and group sales, is the client contact.

n

N C Capital Management Group

P.O. Box 3068, Williamsport, Pa.
17701; (717) 327-2190

Total assets mgd.	$240,000,000
Tax-exempt assets mgd:	
Total	$170,000,000
Fully discretionary	$150,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	65
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	1
Size of research staff	2

N C Capital Management Group using a macroeconomic approach to equity investing, focusing on sectors exhibiting growth characteristics or emerging growth characteristics. For fixed income, the firm invests in the short- to intermediate-term government and corporate market to offset portfolio risk.

As of Jan. 1, the asset mix was 60% stocks, 35% bonds and 5% cash. N C Capital's growth equity accounts are invested 100% in stocks.

Clients include Williamsport Hospital, the city of Williamsport, E. Keeler & Co. and Northern Central Bank.

Sidney D. Furst III is the chief investment officer and the client contact.

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NCNB National Bank

1 NCNB Plaza, Charlotte, N.C. 28255;
(704) 374-8379

Total assets mgd.	$4,311,000,000
Tax-exempt assets mgd:	
Total	$2,667,000,000
Fully discretionary	$2,667,000,000
Master trust assets	$173,000,000
Real estate assets mgd	$240,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	902
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	24
Size of research staff	7

NCNB National Bank, a subsidiary of NCNB Corp., emphasizes growth, emerging growth and value-oriented stocks in a sector weighted equity strategy.

For fixed income, NCNB National Bank's approach is risk averse. Maturities chosen typically center on the intermediate range in order to reduce price volatility during the market cycle.

As of Jan. 1, the asset mix was 60% stocks, 25% bonds, 5% cash and 10% equity real estate.

Clients include AT&T, United Telecommunications, Duke Power Co. and the state of West Virginia.

Godfrey Howard, senior vice president, is the chief investment officer; Robert L. Reynolds, vice president, is the client contact.

NSR Asset Management

605 Third Ave., New York, N.Y.
10158; (212) 687-2200

Total assets mgd.	$791,000,000
Tax-exempt assets mgd:	
Total	$791,000,000
Fully discretionary	$791,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	23
Types of accounts mgd	CEF
No. of portfolio mgrs	5
Size of research staff	7

NSR Asset Management's equity philosophy emphasizes shifting or rotating portfolio allocations among market sectors. Target prices are used in buy and sell disciplines. Portfolios are limited to 40 stocks.

For fixed income, NSR Asset Management seeks to provide a dependable income stream and to provide an alternative to equities in preserving capital and reducing volatility. The firm's primary tool is interest-rate anticipation.

As of Jan. 1, the asset mix was 76% stocks, 12% bonds and 12% cash.

Clients include Boise Cascade, Moore Corp., Pfizer and Duke University Endowment.

Warren C. Juchatz, chairman, is the chief investment officer; Christopher A. Smith, director of marketing, is the client contact.

NWNL Investment Services Corp.

100 Washington Square,
Minneapolis, Minn. 55401; (612)
365-7541

Total assets mgd.	$2,500,000,000
Tax-exempt assets mgd:	
Total	$800,000,000
Fully discretionary	$800,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	400
Types of accounts mgd	CGJ
No. of portfolio mgrs	12
Size of research staff	0

NWNL Investment Services, an investment management subsidiary of Northwestern National Life, is a bond manager that follows a passive approach.

As of Jan. 1, the asset mix was 7% stocks, 40% bonds, 5% equity real estate, 37% mortgages and 11% in short-term bonds, homeowners real estate, etc.

Clients include Whirlpool, Pillsbury, Sunkist Growers and Western Geophysical.

Steve Wishart, president, is the chief investment officer; Frank Hermann, vice president, marketing, is the client contact.

NWQ Investment Management Co.

417 S. Hill St., Suite 585, Los
Angeles, Calif. 90013; (213)
613-1053

Total assets mgd.	$100,000,000
Tax-exempt assets mgd:	
Total	$75,000,000
Fully discretionary	$75,000,000
Minimum separate account	0
Tax-exempt clients	30
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	0

NWQ Investment is an equity manager that uses fixed-income securities only when they are substantially undervalued and when interest rate anticipation studies find they offer prospects for above-average returns.

The investment firm utilizes a combination of low price-earnings ratio stocks, along with Graham & Dodd, sector rotation and market timing techniques, to maintain a portfolio with superior risk/reward characteristics.

As of Jan. 1, the asset mix was 55% stocks, 20% bonds and 25% cash.

Clients include National Bulk Carriers, Jacobs Engineering Group, Hawaii Cement Masons and St. Francis Medical Center.

David Polak, president, is the chief investment officer; Mary-Gene Slaven, vice president, is the client contact.

National Bank of Detroit

611 Woodward Ave., Detroit,
Mich.48226; (313) 225-2820

Total assets mgd.	$9,100,000,000
Tax-exempt assets mgd:	
Total	$6,400,000,000
Fully discretionary	$6,400,000,000
Master trust assets	$3,155,000,000
Master custodian assets	$4,026,000,000
Minimum separate account	0
Tax-exempt clients	95
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	16
Size of research staff	33

National Bank of Detroit's equity approach uses a disciplined valuation system based on in-depth, fundamental analysis. For fixed income, the bank uses different funds with varied risk/return characteristics tailored to customer requirements, although most are managed on the basis of interest rate expectations. The bank also provides bond immunization and other services including cash management.

As of Jan. 1, the asset mix was 55% stocks, 35% bonds and 10% cash.

Clients include AT&T, General Motors, Dow Chemical and K Mart Corp.

James M. Lane, senior vice president, is the chief investment officer; Richard L. Foersterling, vice president, is the client contact.

National City Bank

National City Center, P.O. Box 5756,
Cleveland, Ohio 44101; (216)
575-2558

Total assets mgd.	$4,500,000,000
Tax-exempt assets mgd:	
Total	$2,300,000,000
Fully discretionary	$2,000,000,000
Master trust assets	$640,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	650
Types of accounts mgd	CEFJ
No. of portfolio mgrs	14
Size of research staff	7

National City Bank's equity approach uses sector rotation and emphasizes growth and low price-earnings stocks.

It uses an interest-rate anticipation and sector analysis approach to fixed income.

As of Jan. 1, the asset mix was 60% stocks and 40% bonds.

Clients of National City Bank include the Bell System, the Harris Corp., the LTV Corp. and Rubbermaid Inc.

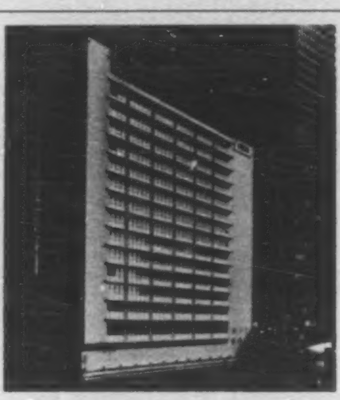
J. Warren Hall, senior vice president, is the chief investment officer; Michael L. Lucas, vice president marketing-funds management and Cathy T. Chisolm, marketing executive-funds management, are the client contacts.

National Health & Welfare Mutual Life Insurance Association Inc.

666 Fifth Ave., New York, N.Y. 10103;
(212) 399-1600

Total assets mgd.	$1,800,000,000
Tax-exempt assets mgd:	
Total	$1,800,000,000
Fully discretionary	$1,800,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	na
Types of accounts mgd	na
No. of portfolio mgrs	3
Size of research staff	3

National Health continued on 68



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As one of America's largest and most successful mortgage banking firms, we have been a leader in developing innovative and competitive real estate financing packages including intermediate and long-term mortgage financing, joint ventures, equity purchases and sale-leasebacks. Republic is also a major construction and interim lender.

As a wholly-owned subsidiary of Continental Illinois Corporation and through the extensive contacts we maintain with our institutional investors, we are able to respond quickly and decisively in meeting the needs of our clients.

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National Health continued from 67

The National Health and Welfare Mutual Life Insurance Association emphasizes investing in companies with above-average earnings prospects where the stock is selling at reasonable valuation levels. Its fixed-income approach is active, using interest-rate anticipation and sector analysis.

As of Jan. 1, the asset mix was 50% stocks and 50% bonds.

Clients include United Way of America, the Girl Scouts, the American Cancer Society and Butterworth Hospital.

Joan M. Casson, senior vice president, is the chief investment officer; George Lingua, executive vice president, is the client contact.

National Investment Services

815 E. Mason St., Suite 1501, P.O.
Box 2143, Milwaukee, Wis. 53201;
(414) 271-6540

Total assets mgd.	$879,000,000
Tax-exempt assets mgd:	
Total	$756,000,000
Fully discretionary	$755,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	37
Types of accounts mgd	CEFJ
No. of portfolio mgrs	8
Size of research staff	3

National Investment Services of America's equity approach is to evaluate economic and political trends to determine the optimum equity exposure and to identify industries in strong secular growth patterns. It looks for companies growing at a rate above the S&P 500.

For fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 45% stocks, 50% bonds and 5% cash.

Clients include American Telephone & Telegraph Co., Beatrice Foods Co., Chicago Carpenters and Eastern Air Lines Inc.

William R. Johnson, president, is the chief investment officer and the client contact.

Neuberger & Berman Pension Management Inc.

522 Fifth Ave., New York, N.Y. 10036;
(212) 790-9669

Total assets mgd.	$4,036,000,000
Tax-exempt assets mgd:	
Total	$2,036,000,000
Fully discretionary	$2,036,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	170
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	31
Size of research staff	11

Neuberger & Berman Pension Management is an equity specialist that takes high cash positions in falling markets, and high equity positions in rising markets. The firms' results come from the constant expansion/contraction of equity, bond and cash equivalent positions across market cycles. It does not manage bonds.

As of Jan. 1, the asset mix was 78% stocks, 5% bonds and 17% cash.

Clients include Beatrice Foods, Bendix Corp., Celanese Corp. and Enserch Corp.

Richard A. Cantor, president, is the chief investment officer; Robert R. McComsey, executive vice president, is the client contact.

Newbold's Asset Management

1500 Walnut St., Philadelphia, Pa.
19102; (215) 893-8167

Total assets mgd.	$200,000,000
Tax-exempt assets mgd:	
Total	$127,000,000
Fully discretionary	$127,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	43
Types of accounts mgd	CEFG
No. of portfolio mgrs	6
Size of research staff	6

Newbold's Asset Management buys stocks with low price-earnings ratios. It seeks to buy value at a discount. It is a passive fixed-income manager.

As of Jan. 1, the asset mix was 86% stocks and 14% cash.

Clients include the Pennsylvania Municipal Retirement System, the Bryn Mawr Trust Co., Robert Bruse Inc. and Elizabethtown College.

Timothy M. Havens, president, is the chief investment officer; Robert E. Clarke, vice president, is the client contact.

New England Mutual Life Insurance Co.

501 Boylston St., Boston, Mass.
02117; (617) 578-2000

Total assets mgd.	$8,000,000,000
Tax-exempt assets mgd:	
Total	$3,400,000,000
Fully discretionary	$3,400,000,000
Real estate assets mgd	$27,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	18,000
Types of accounts mgd	CFGJ
No. of portfolio mgrs	5
Size of research staff	15

New England Mutual, a fixed-income manager, uses sector rotation and flexible group rotation on a wide selection of capitalization sizes; its approach also has a strong sell discipline. The insurance company also has a concentration in mortgage and equity real estate. Its affiliate, Loomis Sayles & Co., handles equity management and research.

As of Jan. 1, the asset mix was 76% stocks, 9% bonds, 2% cash, 8% equity real estate and 5% mortgages.

Clients include American Greetings Corp., Clark Equipment, Ford Motor and Hercules Inc.

Donald I. Gregg, second vice president, group pension marketing, is chief investment officer and client contact.

Newport Capital Management

50 California St., Suite 2350, San
Francisco, Calif. 94111; (415)
781-5801

Total assets mgd.	$38,000,000
Tax-exempt assets mgd:	
Total	$5,000,000
Fully discretionary	$5,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	0

Newport Capital Management, a balanced and an international manager that has no overseas investments yet, uses emerging growth stocks for equities. For fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 80% stocks, 15% bonds and 5% cash.

Clients include Boyce Machinery, Rust Tractor and Commercial Building Maintenance.

Michael G. Baum, chairman and John M. Mussey, president, are the chief investment officers; Mr. Mussey is the client contact.

Newport First Investment Services

567 San Nicolas Drive, Suite 104,
Newport Beach, Calif. 92660; (714)
640-5500

Total assets mgd.	$14,000,000
Tax-exempt assets mgd:	
Total	$12,000,000
Fully discretionary	$12,000,000
Minimum separate account	$100,000
Tax-exempt clients	80
Types of accounts mgd	CGJ
No. of portfolio mgrs	3
Size of research staff	2

Newport First Investment Services closely monitors 25 mutual fund families for equity investments. It has a computerized market-monitoring capability, which dictates either a 100% growth (equity) stock position or a 100% money market position.

Clients include city of Orange, Norton and Norton Electric Co., Fluorcarbon Co. and Hunsaker and Associates.

William J. Ferry, partner, is the chief investment officer; James F. Blixt, marketing director, is the client contact.

New York Life Insurance Co.

51 Madison Ave., New York, N.Y.
10010; (212) 576-7000

Total assets mgd.	$17,375,000,000
Tax-exempt assets mgd:	
Total	$4,222,000,000
Fully discretionary	$4,222,000,000
Real estate assets mgd	$29,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	4,300
Types of accounts mgd	CGJ
No. of portfolio mgrs	5
Size of research staff	23

New York Life Insurance Co. follows a value-oriented approach for equities. For fixed income, it strives to maximize yield with safety.

As of Jan. 1, the asset mix was 0.6% stocks, 98% bonds, 0.7% equity real estate and 0.7% mortgages.

Harold Herzog, senior vice president, is the chief investment officer; William D. Calligan, vice president and Edward C. Leithead, assistant vice president, are the client contacts.

Nicholas Co. Inc.

312 E. Wisconsin Ave., Suite 601,
Milwaukee, Wis. 53202; (414)
272-6133

Total assets mgd.	$180,000,000
Tax-exempt assets mgd:	
Total	$60,000,000
Fully discretionary	$50,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	25
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	0

Nicholas Co. follows a bottom-up philosophy for equity investments. It looks for stocks with low price-earnings ratios relative to the company's growth rate. It invests in the stock of smaller, unknown, out-of-favor companies and follows a contrarian philosophy. For fixed income, it emphasizes intermediate maturity and high quality issues.

As of Jan. 1, the asset mix was 55% stocks, 35% bonds and 10% cash.

Albert O. Nicholas, president, is the chief investment officer; David L. Johnson, vice president, is the client contact.

Nikko International Capital Management Co. (America) Inc.

140 Broadway, New York, N.Y.
10005; (212) 747-9823

Total assets mgd.	$741,000,000
Tax-exempt assets mgd:	
Total	$22,000,000
Fully discretionary	$22,000,000
International assets mgd	$22,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	3
Types of accounts mgd	CG
No. of portfolio mgrs	18
Size of research staff	78

Nikko International is an international investment manager; the firm follows an active and fundamental approach. It invests in Japan and other Pacific Basin markets because of the growth potential. Its policy is to "buy and hold."

As of Jan. 1, the asset mix was 80% stocks, 10% bonds and 10% cash.

Clients include United Airlines and Eli Lilly & Co.

Masashi Kaneko, executive vice president, is chief investment officer; Tetsuya Murakami is client contact.

Noddings, Calamos & Associates

444 N. Michigan Ave., Chicago, Ill.
60611; (312) 951-0110

Total assets mgd.	$84,000,000
Tax-exempt assets mgd:	
Total	$28,000,000
Fully discretionary	$25,000,000
Minimum separate account	$250,000
Tax-exempt clients	79
Types of accounts mgd	CEJ
No. of portfolio mgrs	4
Size of research staff	3

Noddings, Calamos & Associates, a convertible securities specialist, invests in low-risk convertible bond investments as a low-risk alternative to the equity market. It writes call options against undervalued convertible bonds as an alternative to the balanced approach.

As of Jan. 1, the asset mix was 100% convertible securities.

Thomas C. Noddings, president, is the chief investment officer; John P. Calamos, executive vice president, is the client contact.

Northern Capital Management

2122 Luann Lane, Madison, Wis.
53713; (608) 274-9911

Total assets mgd.	$262,000,000
Tax-exempt assets mgd:	
Total	$222,000,000
Fully discretionary	$222,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	47
Types of accounts mgd	CEF
No. of portfolio mgrs	4
Size of research staff	0

Northern Capital Management is a market timer that follows emerging growth stocks and uses sector rotation. For fixed income, it anticipates interest rates.

As of Jan. 1, the asset mix was 56% stocks, 29% bonds and 15% cash.

Clients include Briggs & Stratton, Mosinee Paper and Wisconsin Electric Power.

Roland Reicholtz is chief investment officer and client contact.

The Northern Trust Co.

50 S. LaSalle St., Chicago, Ill. 60675;
(312) 630-6000

Total assets mgd.	$11,233,000,000
Tax-exempt assets mgd:	
Total	$5,117,000,000
Fully discretionary	$5,117,000,000
Master trust assets	$30,100,000,000
Real estate assets mgd	$275,000,000
International assets mgd	$4,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	447
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	16

The Northern Trust runs equity portfolios against a benchmark, based on the objectives of the client. For fixed accounts, it focuses on quantitative applications with experienced bond management tailored to risk parameters of the client and measured against a benchmark.

As of Jan. 1, the asset mix was 36% stocks, 34% bonds, 25% cash, 3% equity real estate and 2% miscellaneous assets.

Clients include the Bell System, ITW and Timken.

David R. Geis, senior vice president, is the chief investment officer; James R. Janetz, vice president, is the client contact.

Northwestern National Bank of Minneapolis

7th and Marquette, Minneapolis,
Minn. 55479; (612) 372-8123

Total assets mgd.	$3,069,000,000
Tax-exempt assets mgd:	
Total	$2,500,000,000
Fully discretionary	$1,865,000,000
Master trust assets	$532,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	850
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	7

Northwestern National Bank's dominant thrust is in the emerging growth sector, with issue selection the key. The bank uses market timing for portfolio protection in down markets. For fixed income, it seeks consistent above-average returns rather than reaching for the "best" returns during a short time. It emphasizes adjustments in maturity mix using high-grade liquid securities.

As of Jan. 1, the asset mix was 39% stocks, 26% bonds and 35% cash.

Clients include Bemis Co., Republic Airlines, Control Data and Peavey.

Robert B. Mersky, senior vice president, is the chief investment officer; Thomas H. Andrews, senior vice president, is the client contact.

Northwestern National Bank of St. Paul

55 E. Fifth St., St. Paul, Minn. 55101;
(612) 291-2199

Total assets mgd.	$237,000,000
Tax-exempt assets mgd:	
Total	$187,000,000
Fully discretionary	$167,000,000
Master trust assets	$36,000,000
Real estate assets mgd	$2,000,000
Minimum separate account	$500,000
Tax-exempt clients	98
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	3
Size of research staff	11

Northwestern National Bank of St. Paul's equity strategy stresses fundamental research overlaid by sector analysis, economic input and market valuation. Its fixed-income strategy centers on active management of sector and quality diversification, issue selection and maturity mix.

As of Jan. 1, the asset mix was 43% stocks, 52% bonds and 5% cash.

Clients include the St. Paul Foundation, the Group Health Plan of Minnesota, United Hospitals Inc. and the Minnesota Bakers Union.

David A. Beeck is the chief investment officer; John A. Maschoff is the client contact.

Northwest Quadrant Inc.

P.O. Box 19247, Irvine, Calif. 92713;
(714) 546-8320

Total assets mgd.	$2,000,000
Tax-exempt assets mgd:	
Total	$1,000,000
Fully discretionary	$1,000,000
Minimum separate account	$300,000
Tax-exempt clients	5
Types of accounts mgd	CJ
No. of portfolio mgrs	1
Size of research staff	1

Northwest Quadrant, an equity manager, strives to capture inefficiencies through quantitative analysis in the areas of option writing, convertible securities and closed-end mutual funds.

As of Jan. 1, the asset mix was 95% stocks and 5% cash.

Clients include the Dewitt Co., Ledo Financial Co., Metal Rolling Inc. and Cardiology Consultants Inc.

Roger W. Wilson, president, is the chief investment officer and the client contact.

O

Oakwood Counselor Inc.

888 Seventh Ave., New York, N.Y.
10106; (212) 757-6495

Total assets mgd.	$42,000,000
Tax-exempt assets mgd:	
Total	$12,000,000
Fully discretionary	$12,000,000
Minimum separate account	$100,000
Tax-exempt clients	23
Types of accounts mgd	CFJ
No. of portfolio mgrs	3
Size of research staff	2

Oakwood Counselors examines growth potential and industry groupings for its equity investments. It is a market timer.

As of Jan. 1, the asset mix was 40% stocks, 40% bonds and 20% cash.

Paul J. Sherman, president, is the chief investment officer and the client contact.

The Ohio Co.

155 E. Broad St., Columbus, Ohio
43215; (614) 464-7029

Total assets mgd.	$160,000,000
Tax-exempt assets mgd:	
Total	$142,000,000
Fully discretionary	$142,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	70
Types of accounts mgd	CE
No. of portfolio mgrs	4
Size of research staff	6

The Ohio Co. considers itself a fundamentalist, seeking out under-owned companies. It concentrates on stocks with lower-than-market-average price/earnings ratios and above-average dividend yields. For fixed income, it uses active or immunized management, stressing preservation of capital and a high level of stable income.

As of Jan. 1, the asset mix was 55% stocks, 33% bonds and 12% cash.

Clients include Wendys International, Worthington Industries, Dinner Bell Foods and Landmark Inc.

Clarence A. Peterson, executive vice president, is the chief investment officer; William D. Lange, business development officer, is the client contact.

Old National Bank of Washington

W. 428 Riverside Ave., Spokane,
Wash. 99201; (509) 456-2058

Total assets mgd.	$280,000,000
Tax-exempt assets mgd:	
Total	$80,000,000
Fully discretionary	$80,000,000
Minimum separate account	$300,000
Tax-exempt clients	200
Types of accounts mgd	CEFJ
No. of portfolio mgrs	2
Size of research staff	0

A subsidiary of Old National Bancorp., Old National Bank looks for reasonably priced stocks of companies with good earnings prospects and strong balance sheets. For fixed income, it concentrates on issues rated A or better, with maturities based on its outlook for interest rates.

As of Jan. 1, the asset mix was 40%

Old National Bank continued on 69

Old National continued from 68

stocks, 40% bonds and 20% cash.

Clients include Sunshine Mining Co., St. Luke's Memorial Hospital and the Meatcutters, Carpenters & Laborers Unions.

Tom Kent, assistant vice president and acting manager, is the chief investment officer; Darald A. Gesinger, vice president, is the client contact.

Old Stone Bank

180 S. Main St., Providence, R.I.
02903; (401) 278-2017

Total assets mgd.	$182,000,000
Tax-exempt assets mgd:	
Total	$50,000,000
Fully discretionary	$40,000,000
Minimum separate account	$100,000
Tax-exempt clients	102
Types of accounts mgd	CEFJ
No. of portfolio mgrs	4
Size of research staff	0

A subsidiary of Old Stone Corp., Old Stone Bank employs a value-oriented approach to equities with an emphasis on growth sectors. For bonds, it remains invested in relatively short-term issues, stressing quality and flexibility.

As of Jan. 1, the asset mix was 30% stocks, 50% bonds and 20% cash.

Clients include Shraffer Eaton and the Rhode Island Group Health Association.

Jeffrey E. Anthony, vice president and trust officer, is the chief investment officer and client contact.

Olson Mobeck & Associates, Inc.

750 Old Main St., Rocky Hill, Conn.
06067; (203) 563-2368

Total assets mgd.	$63,000,000
Tax-exempt assets mgd:	
Total	$34,000,000
Fully discretionary	$9,000,000
Minimum separate account	0
Tax-exempt clients	63
Types of accounts mgd	CFJ
No. of portfolio mgrs	2
Size of research staff	0

Olson Mobeck designs its equity and fixed-income portfolios to meet its clients' objectives.

As of Jan. 1, the asset mix was 30% stocks, 60% bonds and 10% cash.

Robert J. Mobeck, vice president, is the chief investment officer; Rolf H. Olson, president, is the client contact.

Olympic Capital Management Inc.

3008 Rainier Tower, Seattle, Wash.
98101; (206) 447-9399

Total assets mgd.	$302,000,000
Tax-exempt assets mgd:	
Total	$302,000,000
Fully discretionary	$302,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	35
Types of accounts mgd	CF
No. of portfolio mgrs	6
Size of research staff	0

Olympic Capital's investment philosophy is fundamentally oriented. Domestic and international economic developments and specific industry and company fundamentals are more important to the firm than psychological variables in obtaining a positive, inflation-adjusted return.

As of Jan. 1, the asset mix was 57% stocks, 39% bonds and 4% cash.

John S. Crowl, principal, is the chief investment officer; Burton K. Carr III, principal, is the client contact.

Oppenheimer Capital Corp.

1 New York Plaza, New York, N.Y.
10004; (212) 825-4000

Total assets mgd.	$4,212,000,000
Tax-exempt assets mgd:	
Total	$3,917,000,000
Fully discretionary	$3,461,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	188
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	13
Size of research staff	6

A subsidiary of Mercantile House (U.S.A.) Inc., Oppenheimer's common stock approach is value-oriented and bottom-up. The firm now offers a covered option writing program.

As of Jan. 1, the asset mix was 61% stocks, 31% bonds and 8% cash.

Clients include the American Medical Association, New York State Electric & Gas and Inland Steel.

Joseph M. LaMotta is executive vice president and is the chief investment officer.

Powell M. Cabot, senior vice president, is the client contact.

Oxford Partners

72 Cummings Pt. Rd., Stamford,
Conn. 06902; (203) 964-0592

Total assets mgd.	$20,000,000
Tax-exempt assets mgd:	
Total	$8,000,000
Fully discretionary	$6,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	6
Types of accounts mgd	CF
No. of portfolio mgrs	0
Size of research staff	0

Oxford Partners has 100% of its investments in equities.

It is a venture capital partnership manager.

As of Jan. 1, the asset mix was 100% in equities.

Its client list includes Grumman Pension Fund, NCR Pension Fund, the Keystone S-4 Fund and Koppers Corp.

Kenneth Rind, partner, is the chief investment officer; Neil Ryan, partner, is the client contact.

p

PSM Investors Inc.

121 Judy Farm Road, Carlisle, Mass.
01741; (617) 369-0033

Total assets mgd.	$20,000,000
Tax-exempt assets mgd:	
Total	$17,000,000
Fully discretionary	$17,000,000
Minimum separate account	$100,000
Tax-exempt clients	40
Types of accounts mgd	CEJ
No. of portfolio mgrs	1
Size of research staff	0

PSM uses market timing techniques to switch between growth-oriented mutual funds and money market funds, making about two round-trips per year.

As of Jan. 1, the asset mix was 100% in cash.

Clients include Computer Directions Advisors Inc., Macuch Steel Products Inc., Rider College and Architectural Resources Cambridge Inc.

Stan Lipstadt, president, is the chief investment officer and client contact.

Pacific Investment Management Co.

840 Newport Center Drive, Suite 360,
P.O. Box 9000, Newport Beach,
Calif. 92660; (714) 640-3031

Total assets mgd.	$4,229,000,000
Tax-exempt assets mgd:	
Total	$4,078,000,000
Fully discretionary	$3,761,000,000
Minimum separate account	$20,000,000
Tax-exempt clients	42
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	6

Pacific Investment Management is a subsidiary of Pacific Mutual Life Insurance Co. It focuses on identifying quality companies that are undervalued and highly profitable from a longer-term perspective. Portfolio performance is enhanced through shorter-term earnings and price momentum analysis. For fixed income, it is an active manager focusing on intermediate and long trends using a range of maturity, coupon, quality and sector strategies.

As of Jan. 1, the asset mix was 3% stocks, 88% bonds and 9% cash.

Clients include Con Tel, American Express, Bechtel and Standard Oil of Indiana.

James F. Muzzy is the client contact.

Pacific Mutual Life Insurance Co.

700 Newport Center Dr., Newport
Beach, Calif. 92660; (714) 640-3600

Total assets mgd.	$3,621,000,000
Tax-exempt assets mgd:	
Total	$2,175,000,000
Fully discretionary	$2,099,000,000
Real estate assets mgd	$413,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	1,235
Types of accounts mgd	CEGJ
No. of portfolio mgrs	5
Size of research staff	5

Pacific Mutual Life Insurance's equity emphasis is on companies with a

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Positive results year after year.

The Asset Management Division of American Fletcher is a team of proven professionals. Specialists who know the best alternatives for the active management of fixed income portfolios. Our objective is to produce *consistent, positive results.*

Positive results which can reduce annual contributions and improve cash flow for your corporation.

If you'd like to know more about consistent performance, call Don Kennedy, the American Fletcher Asset Management Division.
317/639-8144.

Working with a defined decision-making process, we apply strategies that emphasize quality securities and controlled security mix.

Our Asset Management team has proven expertise in fixed income markets. Year after year, our strategies have consistently earned positive rates of return for our clients.

Asset Management Division
AMERICAN FLETCHER
NATIONAL BANK
AFNB
Indianapolis, IN 46277

Leif E. Nulsen, Vice President
Fixed Income Management.

Pacific Mutual continued from 69

high return on equity and above-average unit volume growth. The company adjusts its fixed-income maturities and sectors to obtain optimal performance from anticipated changes in the general level of interest rates along with changes in the yield curve and yield spreads.

As of Jan. 1, the asset mix was 27% stocks, 33% bonds, 6% cash, 9% equity real estate, 14% mortgages and 11% in a money market fund.

Clients include Albertson Inc., Dresser Industries, Interpace Corp., Republic Airlines and Southern California Edison Co.

Ott Thompson, executive vice president, is the chief investment officer; Daryle Johnson, vice president, is the client contact.

Pacific Mutual Realty

700 Newport Center Drive, Newport Beach, Calif. 92660; (714) 640-3000

Total assets mgd.	$40,000,000
Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	$40,000,000
Real estate assets mgd	$40,000,000
Minimum separate account	na
Tax-exempt clients	na
Types of accounts mgd	na
No. of portfolio mgrs	na
Size of research staff	na

Pacific Mutual Realty's subscription period for its first fund closed Dec. 31, 1982, with $40 million. The subscription period for its second closed-end fund, PMR AmericaWest II, has opened.

It is a subsidiary of Pacific Mutual Real Estate.

As of Jan. 1, the asset mix was 100% equity real estate.

John T. Chapple, president, is the chief investment officer; Neal A. Randle, vice president, is the client contact.

Victor Palmieri and Co. Inc.

2021 K St., N.W., Suite 700, Washington D.C. 20006; (202) 223-8690

Total assets mgd.	$905,000,000
Tax-exempt assets mgd:	
Total	$705,000,000
Fully discretionary	$700,000,000
Real estate assets mgd	$695,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	8
Types of accounts mgd	CJ
No. of portfolio mgrs	8
Size of research staff	0

Victor Palmieri is a real estate manager exclusively and invests no assets in stocks or bonds.

As of Jan. 1, the asset mix was 2% in cash, 25% in equity real estate and 73% in mortgages.

John A. Koskinen, president, is the chief investment officer and client contact.

Parker, Dillon, Carlson & Johnson Inc.

1416 Miamisburg-Centerville Road, Dayton, Ohio 45459; (513) 439-1010

Total assets mgd.	$1,000,000
Tax-exempt assets mgd:	
Total	$1,000,000
Fully discretionary	$1,000,000
Minimum separate account	$500,000
Tax-exempt clients	1
Types of accounts mgd	C
No. of portfolio mgrs	4
Size of research staff	0

Parker Dillon uses a disciplined valuation process for equity buy and sell decisions, concentrating on issues of companies with market capitalizations of between $100 million and $1 billion. It maintains fixed-income portfolio durations relative to the market duration consistent with the firm's interest rate outlook.

As of Jan. 1, the asset mix was 40% stocks, 40% bonds and 20% cash.

Leslie O. Parker III, president, is the chief investment officer and the client contact.

Parmelee Management Corp.

345 Park Ave., New York, N.Y. 10022; (212) 753-1597

Total assets mgd.	$58,000,000
Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	$30,000,000
Minimum separate account	$500,000
Tax-exempt clients	25
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	0

Parmelee Management focuses its equity philosophty on growth stock and emerging growth issues. For fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds and 10% cash.

Alfred G. Parmelee, president, is the chief investment officer and the client contact.

Alan Patricof Associates Inc.

545 Madison Ave., New York, N.Y. 10022; (212) 753-6300

Total assets mgd.	$80,000,000
Tax-exempt assets mgd:	
Total	$60,000,000
Fully discretionary	$60,000,000
International assets mgd	$20,000,000
Minimum separate account	0
Tax-exempt clients	45
Types of accounts mgd	CEGJ
No. of portfolio mgrs	14
Size of research staff	0

Alan Patricof Associates is a manager of venture capital funds in high technology and special situations. They operate a venture capital fund in the United Kingdom and another in France, totaling $30 million.

As of Jan. 1, the asset mix was 100% invested in venture capital stocks.

Clients include Conoco Pension Fund, Aetna Insurance and the Sherwin Williams Pension Fund.

Alan J. Patricof, chairman, is the chief investment officer.

Robert G. Faris, president, is the client contact.

Penmark Investments Inc.

222 N. Dearborn St., Chicago, Ill. 60601; (312) 641-6577

Total assets mgd.	$261,000,000
Tax-exempt assets mgd:	
Total	$149,000,000
Fully discretionary	$147,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	11
Types of accounts mgd	CFG
No. of portfolio mgrs	4
Size of research staff	2

Penmark Investments' equity approach is to buy equities whose real return is rising higher than the market and whose inflation-adjusted price-earnings ratio is low. For fixed income, it uses market sectors and seeks out inefficiently priced, unusual vehicles. It also has a real estate fund.

As of Jan. 1, the asset mix was 20% stocks, 70% bonds and 10% cash.

Clients include American Airlines, The Art Institute of Chicago, The Chicago Park District and United Illuminating Co.

John K. Webster, executive vice president, is the chief investment officer and client contact.

The Penn Mutual Life Insurance Co.

530 Walnut St., Philadelphia, Pa. 19172; (215) 625-5000

Total assets mgd.	$4,011,000,000
Tax-exempt assets mgd:	
Total	$703,000,000
Fully discretionary	$703,000,000
Minimum separate account	0
Tax-exempt clients	16,237
Types of accounts mgd	CG
No. of portfolio mgrs	2
Size of research staff	4

Penn Mutual Life Insurance uses growth stocks, low price-earnings and Graham & Dodd in its equity approach. It uses interest rate anticipation for fixed income.

As of Jan. 1, the asset mix was 12% stocks, 27% bonds, 1% cash, 3% equity real estate, 27% mortgages and 30% in short-term investments.

Kenneth M. Miller, financial vice president, is the chief investment officer; Richard P. Jensen, vice president of pension marketing and sales, is the client contact.

Pension Portfolio Advisors

P.O. Box 2165, Southfield, Mich. 48037; (313) 357-4800

Total assets mgd.	$500,000,000
Tax-exempt assets mgd:	
Total	$250,000,000
Fully discretionary	$250,000,000
Minimum separate account	0
Tax-exempt clients	1,200
Types of accounts mgd	CGJ
No. of portfolio mgrs	3
Size of research staff	0

A subsidiary of Maccabees Mutual Life Insurance Co., Pension Portfolio Advisors uses outside managers to run its equities.

As of Jan. 1, the asset mix was 90% in bonds and 10% in cash.

Clients include Perry Drugs, city of Southfield, Way Baking, Newport Hospital and Bassett Furniture.

John McCormick, vice president and treasurer of the parent firm, is the chief investment officer; Richard C. VandenBrul, vice president, is the client contact.

M. Pescatello & Co. Inc.

120 Broadway, Room 3018, New York, N.Y. 10271; (212) 227-5200

Total assets mgd.	$200,000,000
Tax-exempt assets mgd:	
Total	$175,000,000
Fully discretionary	$175,000,000
Real estate assets mgd	$1,000,000
International assets mgd	$7,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	3

M. Pescatello & Co. stresses diversified equity exposure in major growth areas. Additionally, the firm emphasizes investment value and invests in selected depressed situations. It is long-range oriented. For fixed income, it is issue oriented, with major emphasis on convertibles. It stresses underlying values of issues and is long-term oriented.

As of Jan. 1, the asset mix was 80% stocks, 19% bonds and 1% cash.

Clients include American Electric Power and Cordis Corp.

Michael Pescatello, president, is the chief investment officer; Edward A. Pescatello, vice president, is the client contact.

Petersen, Flynn & Dinsmore Inc.

One Market Plaza, Suite 2020, San Francisco, Calif. 94105; (415) 777-0344

Total assets mgd.	$180,000,000
Tax-exempt assets mgd:	
Total	$120,000,000
Fully discretionary	$120,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	12
Types of accounts mgd	CEFG
No. of portfolio mgrs	2
Size of research staff	0

Petersen, Flynn & Dinsmore uses low price-earnings and sector rotation in its equity strategy. For fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 60% stocks and 40% bonds.

Clients include Fresno County, Calif.

Lawrence A. Petersen is the chief investment officer and the client contact.

Philadelphia National Bank

Broad and Chestnut Sts., Philadelphia, Pa. 19101; (215) 629-3744

Total assets mgd.	$3,057,000,000
Tax-exempt assets mgd:	
Total	$926,000,000
Fully discretionary	na
Master trust assets	$1,314,000,000
Master custodian assets	$2,686,000,000
Minimum separate account	na
Tax-exempt clients	250
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	5

Philadelphia National Bank is a growth stock manager that utilizes earnings momentum. Companies must have above-average growth potential and a strong financial base. Fixed funds are managed actively to reflect anticipated changes in the level and shape of the yield curve and to reflect the relative attractiveness of bond sectors.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds and 10% cash.

Mark E. Stainecker, vice president, is the chief investment officer; Donald Carey, vice president, is the client contact.

Phoenix Mutual Life Insurance Co.

1 American Row, Hartford, Conn. 06115; (203) 278-1212

Total assets mgd.	$3,500,000,000
Tax-exempt assets mgd:	
Total	$866,000,000
Fully discretionary	$866,000,000
Real estate assets mgd	$31,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	1,900
Types of accounts mgd	C
No. of portfolio mgrs	5
Size of research staff	4

Phoenix Mutual's equity approach places an equal emphasis on loss avoidance and appreciation. It seeks out growth and value opportunity in rising markets and holds losses to relatively modest levels in falling markets. A high current yield is important to its bond investment philosophy, as is capital growth.

As of Jan. 1, the asset mix was 3% stocks, 31% bonds, 3% equity real estate, 28% mortgages and 35% in other investments, including policy loans, that do not apply to tax-exempt clients.

Ashby Bladen, senior vice president, is the chief investment officer; Joel Cohan, vice president, is the client contact.

Pilgrim, Baxter, Hoyt & Greig

2000 Market St., Philadelphia, Pa. 19103; (215) 561-4052

Total assets mgd.	$3,000,000
Tax-exempt assets mgd:	
Total	$3,000,000
Fully discretionary	$3,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	1
Types of accounts mgd	C
No. of portfolio mgrs	3
Size of research staff	0

Pilgrim, Baxter's equity approach is based on the philosophy that growth in earnings is the medium through which corporate return on investment is translated into shareholder return on investment. A strong emphasis is placed on near-term earnings performance.

As of Jan. 1, the asset mix was 85% stocks and 15% cash.

Gary L. Pilgrim, general partner, is the chief investment officer; Harold J. Baxter, general partner, is the client contact.

Pilgrim Management Corp.

222 Bridge Plaza South, Fort Lee, N.J. 07024; (201) 461-7500

Total assets mgd.	$125,000,000
Tax-exempt assets mg:	
Total	$60,000,000
Fully discretionary	$60,000,000
Minimum separate account	$750,000
Tax-exempt clients	90
Types of accounts mgd	C
No. of portfolio mgrs	5
Size of research staff	2

Pilgrim Management Corp. focuses on companies with rising dividends, rising earnings, low debt and low price-earnings ratios for its equity selections.

As of Jan. 1, the asset mix was 70% stocks, 10% bonds and 20% cash.

William J. Lippman, president, is the chief investment officer and the client contact.

Pioneering Management Corp.

60 State St., Boston, Mass. 02109; (617) 742-7825

Total assets mgd.	$2,969,000,000
Tax-exempt assets mgd:	
Total	$1,099,000,000
Fully discretionary	$1,099,000,000
Minimum separate account	$25,000,000
Tax-exempt clients	20
Types of accounts mgd	CEG
No. of portfolio mgrs	3
Size of research staff	16

Pioneering employs a growth income, basic value approach to equity investments.

As of Jan. 1, the asset mix was 100% stocks.

Clients include Monsanto, Duke Power, Dartmouth College and Alcoa.

Paul Mullare is the chief investment officer; David Cildesley is the client contact.

Pittsburgh National Bank

Pittsburgh National Building, Pittsburgh, Pa. 15265; (412) 355-4845

Total assets mgd.	$4,850,000,000
Tax-exempt assets mgd:	
Total	$1,900,000,000
Fully discretionary	$1,300,000,000
Master trust assets	$350,000,000
Minimum separate account	$500,000
Tax-exempt clients	900
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	7
Size of research staff	9

A subsidiary of Pittsburgh National Corp., Pittsburgh National Bank offers two quantitative portfolios. Quantitative Management Systems, a large capitalization core fund, uses a disciplined buy/sell approach; Quantitative Risk Control is a high beta, smaller capitalization fund. For fixed income, the bank buys and holds intermediate maturity, high quality current coupon issues.

As of Jan. 1, the asset mix was 40% stocks, 50% bonds and 10% cash.

Clients include Cooper Tire & Rubber, National Steel, H.H. Robertson and Wean United.

Nicholas Nilsen, vice president and employee benefit department manager, is the chief investment officer; Seth A. Wanetik, national marketing director, is the client contact.

T. Rowe Price Associates Inc.

100 E. Pratt St., Baltimore, Md. 21202; (301) 547-2263

Total assets mgd.	$15,300,000,000
Tax-exempt assets mgd:	
Total	$7,125,000,000
Fully discretionary	$6,720,000,000
International assets mgd	$315,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	191
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	30
Size of research staff	29

T. Rowe Price favors major growth, smaller growth and natural resource companies, adjusting its proportional holdings of each in light of changes in the investment environment. It has developed an international management firm with Robert Fleming Holdings (London) called Rowe-Fleming International Inc. For fixed income, the firm emphasizes "positioning along the yield curve" and sector trades, utilizing economic research and credit and value analysis.

As of Jan. 1, the asset mix was 62% stocks, 28% bonds and 10% cash.

M. David Testa, vice president and director, is the chief investment officer; Eugene M. Waldron Jr., vice president, is the client contact.

Pringle, Flinn, Elvins & Donahoe Inc.

1 Union Square, Suite 3323, Seattle, Wash. 98101; (206) 623-7955

Total assets mgd.	$528,000,000
Tax-exempt assets mgd:	
Total	$480,000,000
Fully discretionary	$428,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	31
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	0

Pringle, Flinn, Elvins & Donahoe actively manages its equities and views stock selection on the basis of fundamental and relative-value analysis as the key determinant of superior performance. It manages bonds on a moderately active basis, placing an emphasis on interest rate anticipation.

As of Jan. 1, the asset mix was 43% stocks, 42% bonds and 15% cash.

Clients include Seattle City Employees Retirement System, Boeing Co. Voluntary Investment Plan K, Western Washington Laborers' Employee Pension Trust and PACCAR Inc. Pension Trust Fund C.

Larry O. Elvins, senior vice president, is the client contact.

Professional Asset Management Inc.

3379 Peachtree Rd., N.E. Suite 665, Atlanta, Ga. 30326; (404) 261-0441

Total assets mgd.	$22,000,000
Tax-exempt assets mgd:	
Total	$5,000,000
Fully discretionary	$4,000,000
Minimum separate account	$100,000
Tax-exempt clients	18
Types of accounts mgd	CF
No. of portfolio mgrs	1
Size of research staff	0

Professional Asset Management buys stocks when the reason for undervaluation is clearly understood. It tries to buy bonds that are underrated because of off-balance sheet factors.

As of Jan. 1, the asset mix was 55% stocks, 30% bonds and 15% cash.

Professional continued on 71

Professional continued from 70

Clients include Central Truck Parts, Livingston Foundation and Bakery Products Delivery.

Marc Heilveil is the chief investment officer and client contact.

Professional Capital Management

3303 Independent Square,
Jacksonville, Fla. 32202; (904) 358-7866

Total assets mgd.	$410,000,000
Tax-exempt assets mgd:	
Total	$230,000,000
Fully discretionary	$145,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	45
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	3
Size of research staff	0

Professional Capital Management considers market timing an important equity investment technique. It also takes a top-down approach to stocks and emphasizes low price-earnings ratios. Fixed-income maturities are lengthened or shortened depending on the interest rate outlook.

As of Jan. 1, the asset mix was 30% stocks, 50% bonds and 20% cash.

Clients include Kaiser Aerospace & Electronics, Watkins-Johnson, Storer Broadcasting and the University of San Francisco.

Peter A. Massaniso, president, is the chief investment officer; G. Bruce Douglas, chairman of the board, is the client contact.

Property Capital Advisors Inc.

200 Clarendon St., Boston, Mass.
02116; (617) 536-8600

Total assets mgd.	$150,000,000
Tax-exempt assets mgd:	
Total	$120,000,000
Fully discretionary	$120,000,000
Real estate assets mgd	$150,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	25
Types of accounts mgd	CEF
No. of portfolio mgrs	4
Size of research staff	3

Property Capital Advisors invests entirely in equity real estate, purchasing income-producing, institutional quality real estate located in major metropolitan areas throughout the United States.

As of Jan. 1, the asset mix was 100% in equity real estate.

Clients include the Harvard University Endowment, MIT Endowment, U.S. Steel Pension Plan and the World Bank.

Robert M. Melzer, vice president, is the chief investment officer; John A. Cervieri Jr., president, is the client contact.

The Providence Group Investment Advisory Co.

500 Turks Head Bldg. Providence,
R.I. 02903; (401) 331-6250

Total assets mgd.	$60,000,000
Tax-exempt assets mgd:	
Total	$25,000,000
Fully discretionary	$15,000,000
Real estate assets mgd	$1,000,0000
Minimum separate account	$200,000
Tax-exempt clients	56
Types of accounts mgd	CEFJ
No. of portfolio mgrs	2
Size of research staff	3

The Providence Group examines the economy, selects industries it believes will experience above-average growth, investigates firms within those industries and buys stocks whose above-average earnings prospects should result in higher valuations. For fixed income, it tries to generate high income consistent with safety of principal by adjusting maturity and quality.

As of Jan. 1, the asset mix was 31% stocks, 63% bonds and 6% cash.

Robert F. Hall, president, and Robert E. Washburn, vice president, are the chief investment officers and client contacts.

Provident Capital Management

30 S. 17th St., Philadelphia, Pa.
19103; (215) 561-6000

Total assets mgd.	$950,000,000
Tax-exempt assets mgd:	
Total	$950,000,000
Fully discretionary	$950,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	120
Types of accounts mgd	CEGJ
No. of portfolio mgrs	7
Size of research staff	9

Provident Capital Management, a subsidiary of Provident National Bank, invests in low price-earnings stocks of companies showing increasing earnings expectations and good fundamentals. For fixed income, it uses sector analysis coupled with independent credit analysis.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include Westinghouse Electric, AT&T and Boeing Co.

W. Anthony Hitschler, president, is the chief investment officer; Barbara M. Clayton is cliont contact.

Provident Investment Counsel Inc.

201 S. Lake Ave., Suite 300,
Pasadena, Calif. 91101; (213) 449-8500

Total assets mgd.	$475,000,000
Tax-exempt assets mgd:	
Total	$430,000,000
Fully discretionary	$430,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	18
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	6

Provident Investment Counsel's equity investment approach is to systematically buy companies with superior financial characteristics that are experiencing an accelerating rate of earnings growth.

For fixed income, it establishes a forecast and then appropriately shifts its commitment to bonds along the yield curve.

As of Jan. 1, the asset mix was 85% stocks, 5% bonds and 10% cash.

Clients include Coastal Corp., Dana Corp., Sterling Drug, the city of Tulsa and Woods Hole Oceanographic Institution.

Robert M. Kommerstad, chairman, is the chief investment officer; Jeffrey J. Miller, senior vice president, is the client contact.

The Prudential Insurance Co. of America

Prudential Plaza, Newark, N.J. 07101;
(201) 877-3735

Total assets mgd.	$86,707,000,000
Tax-exempt assets mgd:	
Total	$27,378,000,000
Fully discretionary	$3,124,000,000
Real estate assets mgd	$4,596,000,000
International assets mgd	$90,000,000
Minimum separate account	$25,000,000
Tax-exempt clients	4,300
Types of accounts mgd	CGJ
No. of portfolio mgrs	31
Size of research staff	440

Prudential has a number of equity funds with different investment objectives. It has index and low price-earnings funds, although most of its accounts are growth-oriented. Its active fixed-income accounts rely principally on interest rate anticipation and its passive accounts, including dedicated portfolios, use immunization and other structured techniques.

As of Jan. 1, the asset mix was 18% stocks, 15% bonds, 4% cash, 16% equity real estate and 47% in general account assets, usually bonds and mortgages.

Frank J. Hoeneymeyer, vice chairman, is the chief investment officer; James H. Gately, vice president, is the client contact.

James Punderson & Co. Inc.

109 Central Ave., Island Heights, N.J.
08732; (201) 929-1485

Total assets mgd.	$6,000,000
Tax-exempt assets mgd:	
Total	$1,000,000
Fully discretionary	$1,000,000
Minimum separate account	na
Tax-exempt clients	10
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	1

James Punderson is a fixed-income manager that invests in special situation fixed-income instruments.

As of Jan. 1, the asset mix was 90% bonds and 10% cash.

James M. Punderson IV is the chief investment officer; George Orsi is the client contact.

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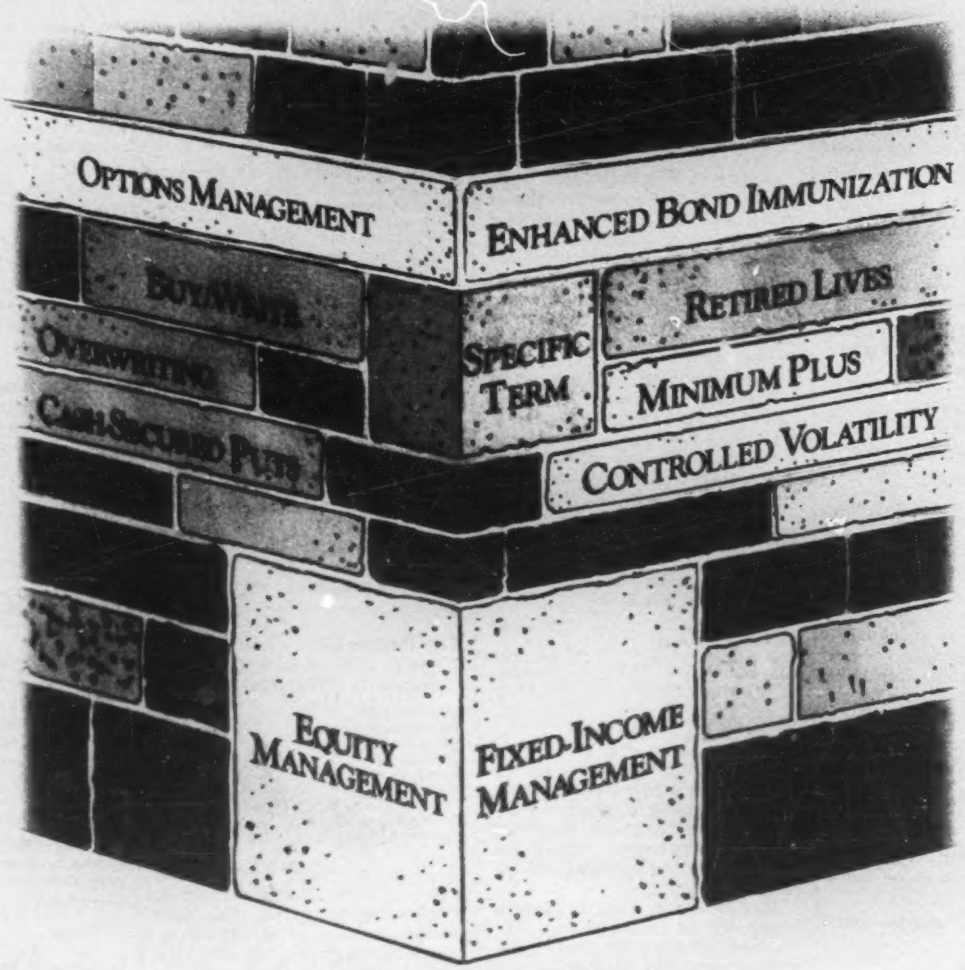
Our Cornerstone for New Ideas



Write or call Charles C. Thomas, Vice President
Loomis, Sayles & Company, Inc.
225 Franklin St., Boston, MA 02110 (617) 482-2450

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Investment Counsel Since 1926
Boston, Chicago, Detroit, Los Angeles, Memphis, Milwaukee,
New Orleans, New York, Philadelphia, San Francisco, Washington

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The Putnam Advisory Co.
1 Post Office Square, Boston, Mass.
02109; (617) 292-1200

Total assets mgd.	$6,336,000,000
Tax-exempt assets mgd:	
Total	$5,373,000,000
Fully discretionary	$5,373,000,000
International assets mgd	$396,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	102
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	20
Size of research staff	24

A subsidiary of Marsh & McLennan, Putnam Advisory emphasizes companies with rapid future earnings growth. It also offers quantitative fixed-income capabilities.

As of Jan. 1, the asset mix was 63% stocks, 26% bonds, 10% cash and 1% in international investments.

John A. Sommers, president and chief executive officer, is the chief investment officer; John A.C. McMurtrie, executive vice president, is the client contact.

q

QC-Investor Services Inc.
715 First Federal Plaza, Rochester,
N.Y. 14614; (716) 454-5791

Total assets mgd.	$55,000,000
Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	$40,000,000
Minimum separate account	$200,000
Tax-exempt clients	40
Types of accounts mgd	CEFJ
No. of portfolio mgrs	3
Size of research staff	0

QC-Investor Services uses a top-down approach for equity selection. Computer screening is used to compare industries and companies against each other. It combines Graham & Dodd analysis with cash flow considerations.

For fixed income, it uses a top-down approach, then computer screening.

As of Jan. 1, the asset mix was 22% stocks, 44% bonds, 31% cash and 3% equity real estate.

Fred C. Gregory, president, is the chief investment officer; Norman C. Hughes is the client contact.

Quest Advisory Corp.
1414 Avenue of the Americas, New
York, N.Y. 10019; (212) 486-1445

Total assets mgd.	$268,000,000
Tax-exempt assets mgd:	
Total	$220,000,000
Fully discretionary	$220,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	7
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	2

Quest Advisory is an equity manager that invests in the stocks of small companies that have free cash flow. They are purchased on a value basis.

As of Jan. 1, the asset mix was 90% stocks and 10% cash.

Clients include the State of Oregon Retirement System, Safeway Stores retirement plan and Agway retirement plan.

Charles M. Royce, president, is the chief investment officer; Thomas R. Ebright, vice president, is the client contact.

r

The RREEF Funds
650 California St., Suite 1800, San
Francisco, Calif. 94108; (415)
781-3300

Total assets mgd.	$1,500,000,000
Tax-exempt assets mgd:	
Total	$1,500,000,000
Fully discretionary	$1,500,000,000
Real estate assets mgd	$1,500,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	47
Types of accounts mgd	CGJ
No. of portfolio mgrs	na
Size of research staff	na

RREEF Funds is solely an equity real estate manager with assets of $1.5 billion. The firm has 12 acquisition professionals; 24 in property management; and eight financial professionals.

As of Jan. 1, the asset mix was 100% equity real estate.

Paul Sack, principal, is the client contact.

Rainier National Bank
P.O. Box 3966, Seattle, Wash. 98124;
(206) 621-4298

Total assets mgd.	$1,295,000,000
Tax-exempt assets mgd:	
Total	$711,000,000
Fully discretionary	$711,000,000
Real estate assets mgd	$24,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	718
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	6

Rainier National Bank is a subsidiary of Rainier Bancorporation.

The bank's equity approach is based on sector rotation, while its fixed-income approach is based on a combination of interest rate anticipation and sector analysis.

The bank uses options as a hedging device.

As of Jan. 1, the asset mix was 45% stocks, 30% bonds, 19% cash, 3% mortgages and 3% miscellaneous.

John Baker, manager, is the chief investment officer; Ken Carlson, assistant vice president, is the client contact.

Ramsay & Ellsworth Inc.
800 Holly Sugar Bldg., Colorado
Springs, Colo. 80903; (303)
473-6925

Total assets mgd.	$14,000,000
Tax-exempt assets mgd:	
Total	$2,000,000
Fully discretionary	$2,000,000
Minimum separate account	na
Tax-exempt clients	0
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	0

Ramsay & Ellsworth's equity approach is based on sector rotation with a preference for growth stocks; it is a market timer, geared to a three- to five-year cycle for equities. For fixed-income, the firm has maturities and bond portfolios of varying length and sizes, based on anticipated changes in the interest rate during a three- to five-year cycle.

It uses options as a hedging device.

As of Jan. 1, the asset mix was 57% stocks, 31% cash and 12% bonds.

D. Bruce Ellsworth, vice president, is the chief investment officer; Robert H. Ramsay, president, is the client contact.

Gerald L. Ray & Associates Inc.
3000 Diamond Park, Dallas, Texas
75247; (214) 630-9270

Total assets mgd.	$165,000,000
Tax-exempt assets mgd:	
Total	$83,000,000
Fully discretionary	$83,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	14
Types of accounts mgd	CE
No. of portfolio mgrs	2
Size of research staff	0

Gerald Ray & Associates looks for companies having fundamental problems that are overstated, confirmed by an improving technical pattern. For fixed income, the firm uses interest rate anticipation.

As of Jan. 1, the asset mix was 55% stocks, 40% bonds and 5% cash.

Clients include Zale Corp., Commercial Metals Co., Haggar Co. and Chilton Corp.

Gerald L. Ray, president, is the chief investment officer; Jerry Sides is the client contact.

Redwood Capital Management Inc.
131 E. Redwood St., Baltimore, Md.
21202; (301) 727-8080

Total assets mgd.	$443,000,000
Tax-exempt assets mgd:	
Total	$426,000,000
Fully discretionary	$426,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	55
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	0

Redwood Capital uses an alternative investment approach for equities, along with a quantitative model for avoiding risk. Analysis is top-down to identify favorable industries and sectors. For fixed income, the company uses high quality marketable issues and interest rate anticipation. It uses options as a hedging device.

As of Jan. 1, the asset mix was 77% stocks, 15% bonds and 8% cash.

Clients include Bristol-Myers, Fruehauf Corp., Harsco Corp. and Columbus & Southern Ohio Electric.

William J. Heffner, president, is the chief investment officer and the client contact.

Reich & Tang Inc.
100 Park Ave., New York, N.Y. 10017;
(212) 370-1110

Total assets mgd.	$396,000,000
Tax-exempt assets mgd:	
Total	$347,000,000
Fully discretionary	$347,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	28
Types of accounts mgd	CEF
No. of portfolio mgrs	6
Size of research staff	0

Reich & Tang's major focus is on companies with earnings and dividend growth rates that exceed those of the market and "where the valuation is at a discount to the price-earnings."

As of Jan. 1, the asset mix was 81% stocks, 13% cash and 6% bonds.

Clients include General Mills, Hughes Aircraft, University of North Carolina and Henry J. Kaiser Foundation.

Robert F. Hoerlf, executive vice president, is the chief investment officer; Joseph H. Reich, president, is the client contact.

Reimer and Koger Associates Inc.
8500 W. 63rd St., Suite 105, Merriam,
Kan. 66202; (913) 236-6700

Total assets mgd.	$540,000,000
Tax-exempt assets mgd:	
Total	$507,000,000
Fully discretionary	$507,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	45
Types of accounts mgd	CFGJ
No. of portfolio mgrs	4
Size of research staff	1

Reimer and Koger uses active management based on a flexible opportunistic "theme" approach generating gains in a rising market and preserving those gains in a declining market. For fixed income, the firm uses interest rate anticipation.

As of Jan. 1, the asset mix was 52% stocks, 36% bonds and 12% cash.

Clients include H&R Block, Kidde & Co. and United Christian Missionary Society.

Ronald C. Reimer, president, is the chief investment officer; Thomas J. Bash, vice president, is the client contact.

The Reiser Co.
7 Piedmont Center, Suite 502,
Atlanta, Ga. 30305; (404) 233-9341

Total assets mgd.	$12,000,000
Tax-exempt assets mgd:	
Total	$4,000,000
Fully discretionary	$4,000,000
Minimum separate account	$500,000
Tax-exempt clients	3
Types of accounts mgd	CE
No. of portfolio mgrs	2
Size of research staff	1

Reiser Co. invests in growth and emerging growth stocks for equities. It specializes in regional stocks and medium-size companies with the return on capital growing faster than the cost of capital. The company's fixed-income approach is passive. Options are used as a hedging device.

As of Jan. 1, the asset mix was 60% stocks, 25% bonds and 15% cash.

Clients include Daniel International, Equifax, Gwinneh County Board of Education and Marta.

Robert E. Reiser Jr., president, is the chief investment officer and the client contact.

Renaissance Investment Management Inc.
20 W. Ninth St., Cincinnati, Ohio
45202; (513) 579-9800

Total assets mgd.	$66,000,000
Tax-exempt assets mgd:	
Total	$52,000,000
Fully discretionary	$39,000,000
Minimum separate account	$500,000
Tax-exempt clients	47
Types of accounts mgd	CEFJ
No. of portfolio mgrs	2
Size of research staff	1

Renaissance Investment's equity and bond approaches emphasize asset allocation based upon capital-return time relative to bonds and cash equivalents, and equities and cash equivalents.

As of Jan. 1, the asset mix was 72% stocks, 21% bonds and 7% cash.

Clients include Taft Broadcasting, Smucker Co., Marvin Manufacturing and Wyoming National Bank (Wilkes-Barre, Pa.).

Frank W. Terrizzi, managing director, is the chief investment officer; S. William Miller, managing director, is the client contact.

RepublicBank Dallas
P.O. Box 241, Dallas, Texas 75221;
(214) 653-6506

Total assets mgd.	$4,764,000,000
Tax-exempt assets mgd:	
Total	$3,369,000,000
Fully discretionary	$3,369,000,000
Master trust assets	$6,316,000,000
Master custodian assets	$1,117,000,000
Real estate assets mgd	$276,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	2,178
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	8

RepublicBank Dallas, a subsidiary of RepublicBank Texas, seeks inefficiently priced growth potential in its stock approach, utilizing stong systematic research to identify smaller companies with lower-than-market price-earnings, higher-than-market yields and internal growth rates.

For fixed income, the bank uses arbitrage and is a utilizer of inefficiencies in the marketplace. It is an active trader within market sectors.

Options are used for hedging and the bank has capabilities for futures.

As of Jan. 1, the asset mix was 56% stocks, 38% bonds, 4% cash, 1% equity real estate and 1% mortgages.

Clients include Exxon, Ford, city of Dallas and Texas Instruments.

H. Edward Anderson, senior vice president and trust officer, is the chief investment officer; David J. Pittman, vice president and trust officer, is the client contact.

RepublicBank Houston
P.O. Box 299009, Houston, Texas
77029; (713) 757-6024

Total assets mgd.	$400,000,000
Tax-exempt assets mgd:	
Total	$250,000,000
Fully discretionary	$250,000,000
Master trust assets	$1,000,000
Master custodian assets	$100,000
Real estate assets mgd	$8,000,000
Minimum separate account	$500,000
Tax-exempt clients	75
Types of accounts mgd	CFJ
No. of portfolio mgrs	3
Size of research staff	na

RepublicBank Houston is a subsidiary of RepublicBank Texas.

The bank uses a fundamental approach as well as valuation models and market timing for equities. For fixed income, it uses both market timing and sector swapping.

As of Jan. 1, the asset mix was 50% bonds, 30% stocks and 20% cash.

Clients include Tenneco Inc.

Asa L. Blankenship, senior vice president and trust officer, is the chief investment officer and the client contact.

Research Management Associates Inc.
P.O. Box 19131, Kansas City, Mo.
64141; (816) 283-4150

Total assets mgd.	$557,000,000
Tax-exempt assets mgd:	
Total	$333,000,000
Fully discretionary	$233,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	31
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	27

Research Management Associates, a subsidiary of Waddell & Reed Inc., utilizes a top-down investment approach for equities. It manages for both risk and return with a heavy emphasis on the asset allocation decision.

The firm is an active bond manager and here also places heavy emphasis on asset allocation decisions.

Research Management Associates' fixed-income approaches are credit analysis, rate anticipation swaps and industrial sector swaps.

It uses options.

As of Jan. 1, the asset mix was 55% stocks, 32% bonds and 13% cash.

Clients include Akzona, Ralston Purina, state of Missouri and Walter Kidde.

Benjamin C. Korschot, president and chief financial officer, is the chief investment officer; Milton E. Lackey Jr., vice president, is the client contact.

Rice, Hall, James & Associates
1200 Third Ave., Suite 1600, San
Diego, Calif. 92101; (619) 239-9005

Total assets mgd.	$420,000,000
Tax-exempt assets mgd:	
Total	$320,000,000
Fully discretionary	$310,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	75
Types of accounts mgd	CEFJ
No. of portfolio mgrs	6
Size of research staff	2

Rice, Hall, James' equity approach is long-term and fundamental for individual stocks. Securities with increasing dividend potential are preferred. Specific value objectives are defined and revised regularly.

For fixed income, the firm is protective-defensive. Bonds are viewed as the defensive segment of a portfolio and maturities are kept short. U.S. Treasury issues and corporates with AA minimum quality are emphasized.

The asset mix varies between 65% to 75% stocks, 20% to 25% bonds and 5% to 8% cash.

Louis E. Rice, president, is the chief investment officer; Walter H. Beck, senior vice president, is the client contact.

Richfield Bank & Trust
6625 Lyndale Ave. South, Richfield,
Minn. 55423; (612) 861-8366

Total assets mgd.	$100,000,000
Tax-exempt assets mgd:	
Total	$76,000,000
Fully discretionary	$36,000,000
Minimum separate account	na
Tax-exempt clients	300
Types of accounts mgd	CGJ
No. of portfolio mgrs	2
Size of research staff	1

Richfield Bank & Trust uses growth stock and Graham & Dodd approaches for equity investments.

For its fixed income approach, Richfield Bank & Trust uses interest rate anticipation.

The bank uses options as a hedging device.

As of Jan. 1, the asset mix was 55% bonds, 40% stocks and 5% cash.

Robert J. Mullen, vice president and senior investment officer, is the chief investment officer; Dale C. Luthy, trust marketing officer, is the client contact.

Riggs National Bank of Washington
P.O. Box 1149, 1120 Vermont Ave.,
N.W., Washington D.C. 20013;
(202) 835-6787

Total assets mgd.	$1,446,000,000
Tax-exempt assets mgd:	
Total	$852,000,000
Fully discretionary	$724,000,000
Master trust assets	na
Minimum separate account	na
Tax-exempt clients	301
Types of accounts mgd	CEFG
No. of portfolio mgrs	15
Size of research staff	6

Riggs National Bank of Washington is a subsidiary of Riggs National Corp.

The bank uses sector rotation and market timing for equities, and for fixed income, its approaches use interest rate anticipation and sector analysis.

As of Jan. 1, the asset mix wes 45% bonds, 43% stocks and 12% cash.

Charles S. Plumb, senior vice president and trust officer, is the chief investment officer and the client contact.

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Robshaw & Cheskin Associates Inc.

69 Delaware Ave., Suite 1201,
Buffalo, N.Y. 14202; (716) 845-5050

Total assets mgd.	$25,000,000
Tax-exempt assets mgd:	
Total	$15,000,000
Fully discretionary	$15,000,000
Minimum separate account	$500,000
Tax-exempt clients	20
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	2

Robshaw & Cheskin's equity approach emphasizes a fundamental search for value among all investment alternatives in order to discover superior long-term investment opportunities.

The firm's fixed-income approach is based on analysis of sectors, ratings and maturities. Strategies are structured through yield curve analyses.

As of Jan. 1, the asset mix was 70% stocks, 25% bonds and 5% cash.

Stephen R. Robshaw, president, is the chief investment officer; Alan E. Cheskin, vice president, is the client contact.

Rollert & Sullivan Inc.

470 Atlantic Ave., Boston, Mass.
02210; (617) 542-0601

Total assets mgd.	$330,000,000
Tax-exempt assets mgd:	
Total	$277,000,000
Fully discretionary	$277,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	23
Types of accounts mgd	CEFJ
No. of portfolio mgrs	8
Size of research staff	na

Rollert & Sullivan uses a "sector strategy" for equities, which the firm defines as a collection of stocks being driven by the same forces, not necessarily in the same industry.

For fixed income, it uses interest rate anticipation, with the average life of a portfolio being limited to the shorter end of the maturity scale—five to seven years—where income and volatility are reasonably balanced.

As of Jan. 1, the asset mix was 80% stocks, 15% bonds and 5% cash.

Clients include Eastern Airlines, Borden Inc., Minnesota Mining & Manufacturing and Hughes Aircraft.

Gordon J. Rollert, president, is the chief investment officer; Jackson W. Goss, executive vice president, is the client contact.

Edward C. Rorer & Co. Inc.

1800 Two Girard Plaza, Philadelphia,
Pa. 19102; (215) 568-2126

Total assets mgd.	$20,000,000
Tax-exempt assets mgd:	
Total	$7,000,000
Fully discretionary	$6,000,000
Minimum separate account	$250,000
Tax-exempt clients	12
Types of accounts mgd	CE
No. of portfolio mgrs	3
Size of research staff	1

Edward C. Rorer & Co. follows a relative value approach in the selection of specific equities, evaluating fixed income vs. the equity markets.

The firm's fixed-income exposure is based upon the current value relative to equities and a forecast of the trend of interest rates as reflected in Federal Reserve activities. The firm uses options for hedging.

As of Jan. 1, the asset mix was 65% bonds, 20% stocks and 15% cash.

Edward C. Rorer, president, is the chief investment officer; Donald G. Littlewood is the client contact.

Rosenberg Capital Management

4 Embarcadero Center, Suite 2900,
San Francisco, Calif. 94111; (415)
954-5474

Total assets mgd.	$4,072,000,000
Tax-exempt assets mgd:	
Total	$3,812,000,000
Fully discretionary	$3,812,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	71
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	7

Rosenberg Capital invests in growth stock for equities. For fixed income, the firm anticipates interest rate changes.

As of Jan. 1, the asset mix was 57% stocks, 30% bonds and 13% cash.

Clients include Johnson & Johnson, Boeing, Standard Oil of California and Eli Lilly.

Claude N. Rosenberg Jr., senior partner, is the chief investment officer and the client contact.

L.F. Rothschild Asset Management

55 Water St., New York, N.Y. 10041
10041; (212) 425-3300

Total assets mgd.	$1,512,000,000
Tax-exempt assets mgd:	
Total	$1,512,000,000
Fully discretionary	$1,512,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	41
Types of accounts mgd	CGJ
No. of portfolio mgrs	7
Size of research staff	32

L.F. Rothschild Asset Management is a subsidiary of L.F. Rothschild, Unterberg, Towbin.

For equities, the firm seeks undervalued companies offering above-average earnings per share and real unit growth, given a two-year time horizon. For fixed income, the firm anticipates interest rate trends for the next six to 12 months and assesses the macroeconomic overview.

Options are used as a hedging device.

As of Jan. 1, the asset mix was 58% stocks, 32% bonds and 10% cash.

Clients include TRW, IUE AFL-CIO Pension Fund, Kaiser Aluminum and Continental Telephone.

Daniel S. Kampel, administrative managing director, is the chief investment officer and the client contact.

Rothschild Asset Management

One Rockefeller Plaza, New York,
N.Y. 10020; (212) 757-6000

Total assets mgd.	$462,000,000
Tax-exempt assets mgd:	
Total	$345,000,000
Fully discretionary	$345,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	26
Types of accounts mgd	CEF
No. of portfolio mgrs	6
Size of research staff	3

Rothschild Asset Management uses sector rotation for equity investment and interest-rate anticipation for fixed income.

As of Jan. 1, the asset mix was 70% stocks, 20% bonds and 10% cash.

Madelon DeVoe Talley, president, is the chief investment officer; Carl A. Bafaro, senior vice president, is the client contact.

The Rothschild Co.

32 South St., Baltimore, Md. 21202;
(301) 539-4660

Total assets mgd.	$475,000,000
Tax-exempt assets mgd:	
Total	$300,000,000
Fully discretionary	$250,000,000
International assets mgd	$10,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	65
Types of accounts mgd	CEFJ
No. of portfolio mgrs	2
Size of research staff	1

The Rothschild Co. buys emerging growth and low price-earnings ratio stocks for equity investments, and seeks stocks with the best relative value.

The firm uses interest rate anticipation for fixed income. When rates of return on bonds exceed the rates of return on stocks, the firm has established bond positions; at other times it limits itself to convertible bonds.

As of Jan. 1, the asset mix was 40% stocks, 35% convertible securities, 15% cash and 10% bonds.

Clients include National Auto Dealers Association, John Hopkins Applied Physics Lab, Dayco and Jewish Charities of Baltimore.

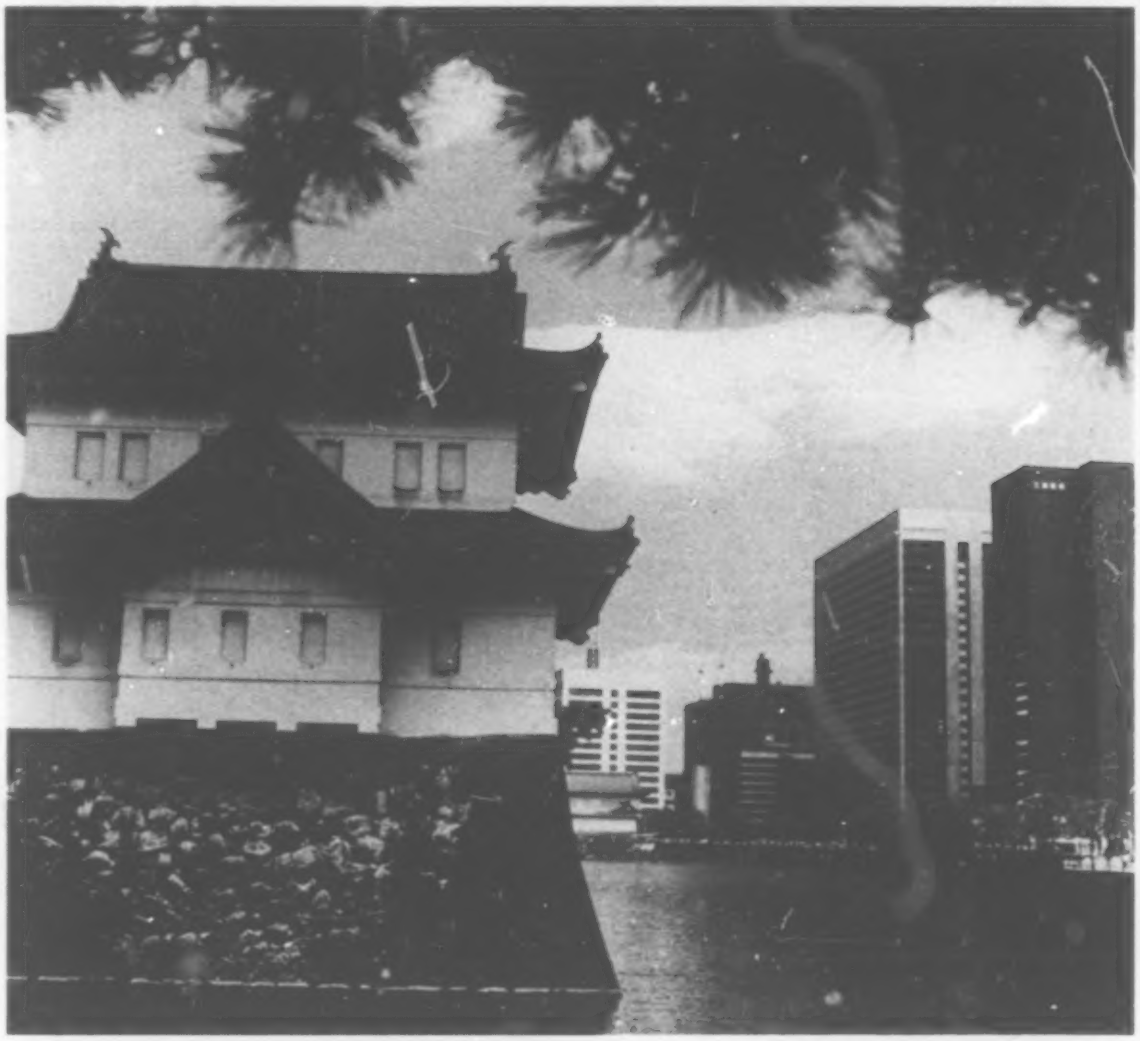
Stanford Z. Rothschild Jr. is the chief investment officer; Arnold Rothschild is client contact.

N.M. Rothschild International Asset Management Ltd.

New Court, St. Swithin's Lane,
London EC4P 4DU, England;
01-280-5000

Total assets mgd.	$40,000,000
Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	$40,000,000
International assets mgd	$40,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	4

N.M. Rothschild continued on 74



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12-11 Nihonbashi 1-chrome, Chuo-ku, Tokyo 103, Japan Tel: 281-2861

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N.M. Rothschild continued from 73

Types of accounts mgd	C
No. of portfolio mgrs	na
Size of research staff	na

N.M. Rothschild International Asset Management is an international investment management affiliate of Rothshild Inc.

Its equity aim is to enhance return by currency, market and stock selection based on research in all three areas.

For fixed income, the firm assesses currency trends in international markets. It uses internal economic forecasting capability during a 12- to 18-month time frame to provide expected interest rate trends.

As of Jan. 1, the asset mix was 90% stocks and 10% cash.

Clients include American Airlines, General Foods Corp., RCA and Continental Telecom.

James Heyworth-Dunne, vice chairman, is the chief investment officer and the client contact.

Rothschild Securities Corp.

135 S. LaSalle St., Chicago, Ill. 60603;
(312) 781-8950

Total assets mgd	$85,000,000
Tax-exempt assets mgd:	
Total	$35,000,000
Fully discretionary	$35,000,000
Minimum separate account	$250,000
Tax-exempt clients	50
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	32

Rothschild Securities attempts to identify high growth industries and select the most attractive. It follows a small universe of securities.

For fixed income, the firm structures a short/intermediate-term laddered maturity portfolio comprising investment grade companies. It diversifies by industry, company, sector and special features. It uses options for hedging.

As of Jan. 1, the asset mix was 45% stocks, 45% bonds and 10% cash.

Clients include Marmon Profit Sharing Trust, Blitz Body Corp. and Wayland Academy Pension Trust.

Richard F. Karger, president, is the chief investment officer and the client contact.

Roulston & Co. Inc.

4000 Chester Ave., Cleveland, Ohio
44103; (216) 431-3000

Total assets mgd	$500,000,000
Tax-exempt assets mgd:	
Total	$400,000,000
Fully discretionary	$400,000,000
Minimum separate account	$100,000
Tax-exempt clients	222
Types of accounts mgd	CEFJ
No. of portfolio mgrs	6
Size of research staff	36

Roulston & Co. uses a fundamentalist approach for its equity investments.

For fixed income, the firm anticipates interest rate changes. It invests in only high quality marketable securities of less than 10 years and changes maturities within a 10-year span.

As of Jan. 1, the asset mix was 85% stocks, 10% bonds and 5% cash.

Clients include Bendix Corp., Hoover Universal, Gifford Hill and Hauserman Inc.

Don Rice is the chief investment officer; Thomas H. Roulston is the client contact.

Frank Russell Trust Co.

1912 First Interstate Plaza, Tacoma,
Wash. 98402; (206) 572-2282

Total assets mgd	$845,000,000
Tax-exempt assets mgd:	
Total	$845,000,000
Fully discretionary	$845,000,000
International assets mgd	$5,000,000
Minimum separate account	na
Tax-exempt clients	56
Types of accounts mgd	C
No. of portfolio mgrs	na
Size of research staff	na

Frank Russell Trust Co. is a subsidiary of Frank Russell Co.

The trust company offers three commingled equity funds, one international fund, and one fixed-income fund utilizing multimanagers as advisers in implementing a multi-investment style approach.

As of Jan. 1, the asset mix was 69% stocks, 27% bonds and 4% cash.

Clients include Esmark Inc., Puget Sound Power & Light Co., Anheuser-Busch and Lucky Stores Inc.

David A. Anderson is the chief investment officer; Richard A. Lothrop, vice chairman, is the client contact.

S

Sabl Associates

2444 Wilshire Blvd. Suite 500, Santa
Monica, Calif. 90403; (213)
829-9863

Total assets mgd	$28,000,000
Tax-exempt assets mgd:	
Total	$14,000,000
Fully discretionary	$14,000,000
Minimum separate account	$100,000
Tax-exempt clients	13
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	0

Sabl is value oriented, and uses market timing and Graham & Dodd approaches for equity investments.

For fixed income, the firm anticipates interest-rate changes.

As of Jan. 1, the asset mix was 77% stocks, 15% cash and 8% bonds.

Frederick M. Sabl, president, is the chief investment officer; Ralph E. Weil, vice president, is the client contact.

Ronald Sadoff Associates

6971 N. Beech Tree Rd., Milwaukee,
Wis. 53209; (414) 352-8460

Total assets mgd	$30,000,000
Tax-exempt assets mgd:	
Total	$24,000,000
Fully discretionary	$20,000,000
Minimum separate account	$100,000
Tax-exempt clients	60
Types of accounts mgd	CFJ
No. of portfolio mgrs	1
Size of research staff	0

Ronald Sadoff uses a low risk and high potential top-down approach for equities. The firm focuses upon leading industries and companies emerging from long-term down trends, and that possess value and growth potential. For fixed income, the firm uses a top-down approach plus interest rate anticipation and credit analysis.

The asset mix was not available.

Ronald B. Sadoff is the chief investment officer and the client contact.

Fayez Sarofim & Co.

2 Houston Center, Suite 2907,
Houston, Texas 77010; (713)
654-4484

Total assets mgd	$8,811,000,000
Tax-exempt assets mgd:	
Total	$8,461,000,000
Fully discretionary	$8,461,000,000
Minimum separate account	na
Tax-exempt clients	227
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	13
Size of research staff	3

Fayez Sarofim follows a balanced approach and focuses on both value-oriented and growth stocks. Fundamental economic and company analyses are the foundations of a top-down flexible portfolio structure.

For fixed income, the firm uses active management based on assessment of future economic conditions and interest rates along with credit analysis; the focus is on quality and marketability.

As of Jan. 1, the asset mix was 80% stocks, 16% bonds and 4% other investments including cash reserves.

Fayez Sarofim, chairman, is the chief investment officer.

Daniel A. Breen, president, is the client contact.

M.D. Sass Investors Services Inc.

475 Park Ave. South, New York, N.Y.
10016; (212) 532-6010

Total assets mgd	$883,000,000
Tax-exempt assets mgd:	
Total	$735,000,000
Fully discretionary	$735,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	66
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	8

M.D. Sass stresses capital market and industry sector rotation for equity management. Special emphasis is placed on finding securities with "hidden strengths," meaning companies misperceived by the investment community.

The firm is an active bond manager, establishing yield ranges that are based on interest rate trends and purchase and sell issues. Other fixed income techniques include the use of Government National Mortgage Association securities and Small Business Administration loans.

Options are used for hedging.

As of Jan. 1, the asset mix was 48% stocks, 37% bonds and 15% cash.

Clients include Keebler Co., Coulter Electronics, Brooklyn Union Gas Co. and Equity League Pension Trust Fund.

Martin D. Sass, president, is the chief investment officer; Thomas J. MacKell Jr., senior vice president, is the client contact.

SBC Portfolio Management International Inc.

One World Trade Center, Suite 9051,
New York, N.Y. 10048; (212)
938-7465

Total assets mgd	$2,000,000,000
Tax-exempt assets mgd:	
Total	0
Fully discretionary	0
International assets mgd	0,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	0
Types of accounts mgd	C
No. of portfolio mgrs	5
Size of research staff	56

SBC Portfolio Management International is a wholly owned affiliate of Swiss Bank Corporation Group. The global manager started marketing for tax-exempt accounts in October 1982.

SBC uses a global top-down approach for equities. Country and currency selection precedes industry strategy and stock picking. Decision-making combines longer-term and shorter-term elements. For fixed income, SBC anticipates interest rates and uses currency forecasting. International and U.S. dollar fixed-income securities typically do not exceed 20% of a portfolio's value.

Marcel L. Ospel, managing director, is the chief investment officer and the client contact.

Schabacker Investment Management

8943 Shady Grove Court,
Gaithersburg, Md. 20877; (301)
840-0301

Total assets mgd	$9,000,000
Tax-exempt assets mgd:	
Total	$5,000,000
Fully discretionary	$5,000,000
Minimum separate account	$50,000
Tax-exempt clients	28
Types of accounts mgd	CFJ
No. of portfolio mgrs	2
Size of research staff	2

Schabacker Investment uses computer analysis to select high reward-to-risk equity mutual funds; it then formula-times the equity-to-cash mix for each portfolio using a proprietary market forecasting tool.

As of Jan. 1, the asset mix was 75% stocks and 25% cash.

Clients include the Mechanical Contractors Association of America and Morgantown Orthopedics Association.

James Schabacker, president, is the chief investment officer; Camillo Schmidt, portfolio manager, is the client contact.

Schafer Capital Management Co.

18th Floor 645 Fifth Ave. New York,
N.Y. 10022; (212) 644-1800

Total assets mgd	$450,000,000
Tax-exempt assets mgd:	
Total	$450,000,000
Fully discretionary	$450,000,000
Minimum separate account	$25,000,000
Tax-exempt clients	6
Types of accounts mgd	CG
No. of portfolio mgrs	2
Size of research staff	1

Schafer Capital Management, an equity manager, invests in growth stocks and stocks with low price-earnings ratios. It uses a Graham & Dodd approach.

As of Jan. 1, the asset mix was 98% stocks and 2% cash.

Clients include GTE, Xerox, state of Washington and INCO United States.

David Schafer is the chief investment officer and the client contact.

Schroder Capital Management

1 State St., New York, N.Y. 10004;
(212) 269-6500

Total assets mgd	$1,200,000,000
Tax-exempt assets mgd:	
Total	$636,000,000
Fully discretionary	$636,000,000
International assets mgd	$120,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	175
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	14
Size of research staff	6

Schroder Capital Management, a subsidiary of Schroders Inc., actively manages portfolios that are structured by varying sector weightings during the course of the business cycle. For fixed income, it uses active management; its approach anticipates changes in interest rates and sector relationships.

Options are used for hedging; the firm also invests internationally.

As of Jan. 1, the asset mix was 49% stocks, 30% bonds and 21% cash.

Clients include ASARCO, Reed College, Girl Scouts of America and Excelsior Insurance.

James R. Hocking, chairman, is the chief investment officer; M. Hal Davidson, first vice president and Sharon L. Haugh, first vice president (international) are the client contacts.

Schroder Real Estate Corp.

1 State St., New York, N.Y. 10004;
(212) 269-6500

Total assets mgd	$650,000,000
Tax-exempt assets mgd:	
Total	$450,000,000
Fully discretionary	0
Real estate assets mgd	$650,000,000
Minimum separate account	$50,000,000
Tax-exempt clients	2
Types of accounts mgd	na
No. of portfolio mgrs	na
Size of research staff	na

Schroder Real Estate is a subsidiary of Schroders Inc.

As of Jan. 1, the asset mix was 100% equity real estate.

Clients include North American Property Unit Trust.

Charles Grossman, president, is the chief investment officer and the client contact.

Scudder, Stevens & Clark

345 Park Ave., New York, N.Y. 10154;
(212) 350-8200

Total assets mgd	$11,019,000,000
Tax-exempt assets mgd:	
Total	$6,577,000,000
Fully discretionary	$6,577,000,000
Real estate assets mgd	$144,000,000
International assets mgd	$92,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	na
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	130
Size of research staff	44

Scudder, Stevens & Clark uses sector rotation for equities. Decisions are made regarding capital market projections and individual security selections.

For bonds, the firm's investment process focuses on interest-rate projections and the opportunity/risk in market sectors and issues.

As of Jan. 1, the asset mix was 54% bonds, 35% stocks and 11% cash.

George S. Johnston, president, is the chief investment officer; Emily L. Smith, assistant vice president marketing, is the client contact.

Seagate Capital Management

245 Summit St. Suite 1401, Toledo,
Ohio, 43603; (419) 259-8169

Total assets mgd	$49,000,000
Tax-exempt assets mgd:	
Total	$41,000,000
Fully discretionary	$41,000,000
Minimum separate account	$500,000
Tax-exempt clients	41
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	0

Seagate's equity management uses a bottom-up approach to identify undervalued stocks with up-front relative earnings growth where the price does not reflect perceived potential. Technical analysis is used in timing activities. It uses interest rate anticipation for fixed income.

As of Jan. 1, the asset mix was 78% stocks, 20% bonds and 2% cash.

Clients include the Toledo Hospital Endowment and Retirement Plan and the Toledo TrustCorp.

Marvin R. Swentkofske, president, is the chief investment officer; Ron Bukowski, senior vice president, is the client contact.

Seattle First National Bank

P.O. Box 3586, Seattle Wash. 98124;
(206) 583-4079

Total assets mgd	$1,914,000,000
Tax-exempt assets mgd:	
Total	$862,000,000
Fully discretionary	$797,000,000
Real estate assets mgd	$32,000,000
Minimum separate account	na
Tax-exempt clients	504
Types of accounts mgd	CEF
No. of portfolio mgrs	0
Size of research staff	0

Seattle First National Bank uses sector analysis for its equities and interest-rate anticipation for fixed-income.

As of Jan. 1, the asset mix was 45% bonds, 26% cash, 25% stocks, 2% mortgages and 2% equity real estate.

Clients include Boeing, TRW, Gilmore Steel and Rockwell.

John Privat, vice president and manager, is the chief investment officer; Chandler H. Everett, senior trust officer, is the client contact.

Seattle Trust and Savings Bank

804 2nd Ave., Seattle, Wash. 98104;
(206) 223-2215

Total assets mgd	$181,000,000
Tax-exempt assets mgd:	
Total	$81,000,000
Fully discretionary	$81,000,000
Master trust assets	$200,000,000
Master custodian assets	$200,000,000
Minimum separate account	$500,000
Tax-exempt clients	180
Types of accounts mgd	CEFJ
No. of portfolio mgrs	3
Size of research staff	0

Seattle Trust and Savings uses a balanced approach for equity investment; money market investments are included in equity portfolios in varying ratios depending on financial market conditions. Credit and business cycle analysis and stock selection are equally weighted.

The bank uses a balanced approach for fixed income. Credit cycle analysis and volatility are emphasized.

As of Jan. 1, the asset mix was 60% stocks, 35% bonds and 5% cash.

Anthony Fieldhouse, vice president, is the chief investment officer; John T. Garland, senior vice president, is the client contact.

Second National Bank of Warren

108 Main St., S.W., Warren, Ohio
44481; (216) 841-0232

Total assets mgd	$246,000,000
Tax-exempt assets mgd:	
Total	$140,000,000
Fully discretionary	$120,000,000
Minimum separate account	$100,000
Tax-exempt clients	115
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	1
Size of research staff	0

Second National Bank of Warren's equity approach emphasizes growth and value oriented stocks; the bank is a market-timer.

Fixed-income investments are aggressively managed through interest rate anticipation and sector swapping.

As of Jan. 1, the asset mix was 55% stocks, 40% bonds and 5% cash.

Clients include Warren Tool, Trumbull Metro. Housing, Wean United and Denman Rubber.

Robert C. Fenwick Jr. is the chief investment officer; Herbert W. Dakin, vice president, is the client contact.

Securities Counselors of Iowa Inc.

P.O. Box 1326, Cedar Rapids, Iowa
52406, (319) 366-7801

Total assets mgd	$76,000,000
Tax-exempt assets mgd:	
Total	$41,000,000
Fully discretionary	$41,000,000
Minimum separate account	$1,000,000

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Tax-exempt clients	80
Types of accounts mgd	CEF
No. of portfolio mgrs	4
Size of research staff	3

Securities Counselors of Iowa, a subsidiary of SCI Financial Group, focuses on capital structure, asset value, market share and relative value for equity management.

For fixed income, the firm uses government securities and convertible bonds when the economic outlook dictates.

As of Jan. 1, the asset mix was 85% stocks, 10% bonds and 5% cash.

Clients include Comdisco, O'Donnell Wicklund Architects, All Work Inc. and Janco Chemical.

John N. Knapp, chairman, is the chief investment officer; Myron R. Holman, managing director, is the client contact.

Security Asset Management Inc.

500 Park Ave., New York, N.Y. 10022;
(212) 750-4574

Total assets mgd.	$40,000,000
Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	$40,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	5
Types of accounts mgd	CG
No. of portfolio mgrs	3
Size of research staff	na

Security Asset is a fixed-income manager. The firm uses financial futures contracts to reduce the volatility, and preserve the current income of portfolio assets.

As of Jan. 1, the asset mix was 100% bonds.

Clients include the state of Delaware, Blue Cross/Blue Shield of Virginia, Peter J. Schmitt Corp. and Hospital Corp. of America.

Robert C. Brewer, senior vice president, is the chief investment officer; Kenneth F. Leder, vice president, is the client contact.

Security Pacific Corp.

P.O. Box 2498, Los Angeles, Calif.
90051; (213) 613-7594

Total assets mgd.	$5,049,000,000
Tax-exempt assets mgd:	
Total	$2,560,000,000
Fully discretionary	$231,000,000
Master trust assets	$565,000,000
Master custodian assets	$280,000,000
Real estate assets mgd	$700,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	270
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	18
Size of research staff	4

The tax-exempt asset figure includes assets managed by both the bank and its subsidiary, Security Pacific Investment Managers.Security Pacific National Bank invests in companies with dramatic earnings growth. The identification of change is the foundation of its equity approach. It buys issues before they are generally owned by institutional investors. For fixed, sectors, quality and maturities are systematically changed depending on the condition of four key decision-making variables: economic activity, yield curve, fiscal policy and monetary policy.

Quality spreads and high yield corporates are used.

The bank plans to offer international investment services in mid-1983.

The bank also provides master trust services.

Security Pacific Investment Managers, had total tax-exempt assets of $2.3 billion under management as of Jan. 1, 1981; the firm declined to provide more current figures. Lloyd McAdams, president, is the chief investment officer.

As of Jan. 1, the asset mix was 70% stocks, 25% bonds and 5% equity real estate.

Scott Johnston, senior vice president, is the chief investment officer; Fred Applegate, vice president, is the client contact.

Security Trust Co. of Rochester

1 East Ave., Rochester, N.Y. 14638;
(716) 546-9126

Total assets mgd.	$925,000,000
Tax-exempt assets mgd:	
Total	$275,000,000
Fully discretionary	$275,000,000
Master trust assets	$112,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	225
Types of accounts mgd	CEFJ
No. of portfolio mgrs	11
Size of research staff	0

Security Trust Co. of Rochester, a subsidiary of Security New York State Corp., purchases out-of-favor larger capitalization stocks temporarily experiencing earnings difficulties.

For its fixed income strategy, Security Trust Co. uses interest rate anticipation, which provides the bases for maturity, and quality levels are appropriate.

As of Jan. 1, the asset mix was 55% stocks, 40% bonds and 5% cash.

Security Trust Co.'s client list includes Colt Industries, Sybron Corp., Rochester Gas & Electric and Gould Pumps Inc.

James A. Knauf Jr., vice president, is the chief investment officer; Clarence B. Ellsworth Jr., vice president, is the client contact.

Alan G. Seidner Investment-Financial Consultant

597 E. Green St., Pasadena, Calif.
91101; (513) 795-2251

Total assets mgd.	$380,000,000
Tax-exempt assets mgd:	
Total	$40,000,000
Fully discretionary	0
Minimum separate account	$1,000,000
Tax-exempt clients	2
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	0

Alan G. Seidner, a fixed-income manager, uses analyses on yield curves and yield quality spreads to execute initial investments; portfolio swaps are a primary approach.

As of Jan. 1, the asset mix was 100% money market.

Clients include U.C.L.A. Charitable Foundation, Presbyterian Hospital and Public Service of New Mexico.

Alan G. Seidner is the chief investment officer; Deborah Allison, administrative assistant, is the client contact.

J. & W. Seligman Co. Inc.

1 Bankers Trust Plaza, New York,
N.Y. 10006; (212) 432-4000

Total assets mgd.	$1,362,000,000
Tax-exempt assets mgd:	
Total	$943,000,000
Fully discretionary	$715,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	71
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	11
Size of research staff	10

J. & W. Seligman's stock strategy centers on medium-size, non-cyclical companies that possess a competitive edge in the marketplace.

The firm's fixed-income strategy centers on securities primarily as sources of income with emphasis placed on high quality securities that have lower-than-average maturities.

As of Jan. 1, the asset mix was 70% stocks, 23% bonds and 7% cash.

Clients include Controlled Data, Robert Shaw Controls, Berea College and New York State Common Retirement Funds.

John D. Lynch, executive vice president, is the chief investment officer; Ernest A. Remig, president of marketing subsidiary, is the client contact.

Seward Corp.

120 S. LaSalle St. Chicago, Ill. 60603;
(312) 443-0820

Total assets mgd.	$26,000,000
Tax-exempt assets mgd:	
Total	$26,000,000
Fully discretionary	$26,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	1
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	1

Seward Corp. relies heavily on anticipation of changing perceptions in various sectors of the economy, society and government, as well as in the markets, for equity investment.

For fixed income, it anticipates interest rates. It uses options and futures.

As of Jan. 1, the asset mix was 100% stocks.

Robert M. Seward II is chief investment officer and client contact.

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Two Faneuil Hall
Marketplace, Boston,
MA 02109.

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Index to advisers by type of manager

EQUITY MANAGERS

Addison Capital Management, Aetna Life Insurance Co., Alexander, Scriver and Associates, Fred Alger Management Inc., Allen & Leavy Investment Management Inc., Alliance Capital Management Corp., American Capital Management Inc., American General Capital Advisors, American National Bank and Trust Co., AmeriTrust Co., Amivest Corp., Analytic Investment Management Inc., Andron, Cechettini & Associates Inc., Argus Investors' Counsel Inc., Ashfield & Co. Inc., Ashland Management Inc., Atalanta Capital Corp., Atalanta/Sosnoff Capital Corp., Avatar Associates, E.W. Axe & Co. Inc.

BA Investment Management Corp., David L. Babson Co. Inc., Bailard, Biehl & Kaiser Inc., BancOhio Capital Management, Bankers Life, Bankers Trust Co., Bank of New York, Bank of the Southwest, Bank One Trust Co., Barrow, Hanley, Mewhinney & Strauss Inc., Batterymarch Financial Management, BEA Associates Inc., Sanford C. Bernstein & Co. Inc., Bessemer Trust Co., BMI Capital Corp., The Boston Co., Brokaw Capital Management Co., Alexander Brown & Sons Investment Advisory Service, Brown Bros., Harriman & Co., Burgess Capital Corp.

CIGNA Corp., C&S Investment Counseling, C-S Capital Advisors Inc., California First Capital Management, Cambiar Investors Inc., William G. Campbell & Co. Inc., Capital Consultants Inc., Capital Technology Inc., Capitoline Investment Services Inc., Cashman, Farrell and Associates Inc., Century Capital Associates, The Chapman Co., Chase Investment Counsel Corp., Chase Investors Management Corp., Chesapeake Capital Management Inc., The Chicago Corp., Citicorp: Citi-Investments and Citicorp Investment Management, City Trust Services, Cleveland Management Inc., Clutinger, Williams & Verhoye Inc., Cole, Yeager & Wood Inc., Columbia Management Co., The Connecticut Bank & Trust Co., Connecticut Mutual Life Insurance Co., Connecticut National Bank, Continental Illinois National Bank & Trust Co. of Chicago, Corbyn Associates Inc., County Bank of St. Louis, Crocker Investment Management Corp., Cumberland Advisors, Martin Currie Inc., Cutler & Co. Inc.

Dawes Investment Service, Delafield Asset Management Inc., Delaware Investment Advisers Inc., Delfi Management Inc., Delta Financial Management Corp., Dillon, Read Capital Inc., Dimensional Fund Advisors Inc., Dodge & Cox Inc., Drexel Burnham Lambert Investment Advisors, Dreyfus Management Inc.

Eagle Management & Trust Co., Eaton & Howard, Vance Sanders Inc., Eberstadt Asset Management Inc., Dale K. Ehrhart Inc., Endowment Management & Research Corp., Equitable Life Assurance, Equity Advisors Inc., Equity Research Associates.

Federated Investment Counseling Inc., The Fidelity Bank, Fiduciary Management Associates, Fielding Management Co. Inc., The Fifth Third Bank, Financial Trust Co., First and Merchants National Bank, First Asset Management, First City National Bank, First Interstate Bank of Washington, First Investment Management Corp., First Manhattan Co., First National Bank of Atlanta, The First National Bank of Boston, First Pacific Advisors Inc., First Tennessee Investment Management Inc., First Trust Corp., First Union National Bank, First Wisconsin National Bank of Madison, First Wisconsin Trust Co., Florence Fearrington Inc., Forstmann-Leff Associates Inc., Fort Hill Investors Management Corp., Fraser Management Associates, Froley, Revy Investment Co. Inc., Frontier Capital Management Co. Inc., Funds Advisory Co.

GAMCO Investors Inc., Garrison, Keogh & Co. Inc., General American Investors Co. Inc., GeoCapital Investment Management, Gradison & Co. Inc., Granahan-Everitt Investments Inc., Granite State Corp., Grantham, Mayo, Van Otterloo & Co., R.W. Graybill Ltd., David J. Greene and Co., Gulf Investment Management Inc.

Hambrecht & Quist Equity Management, John Hancock Mutual Life Insurance Co., Harris Associates Inc., Harris, Bretall, McEldowney & Sullivan Inc., Harris Trust and Savings Bank, Hellman, Jordan Management Co. Inc., Heritage Investment Advisers Inc., Holborn International, Horizon Trust Co., National Association, Hotchkis and Wiley, Howe and Rusling Inc., The Huntington Bank of Northeast Ohio, Hutton Capital Management.

IDS Advisory Group, ISI Corp., Independence Investment Associates Inc., Institutional Capital Corp., Institutional Portfolio Services, InterFirst Bank Dallas, IntraWest Investment Management, INVESCO Capital Management Inc., Investment Advisers Inc., Investment Advisors Inc., Investment and Capital Management Corp., The Investment Counsel Co., Investment Counselors of Maryland Inc., Ivory & Sime International Inc.

Jennison Associates Capital Corp., Jenswold, King & Associates, Johnson, Valliant & Broadfoot Inc., Jundt/Capen Associates Inc.

KPSP Investment Management, A.M. Kailing & Associates, Kanne, Paris & Hoban, William J. Kautz Associates Inc., Keeley Asset Management Co., Kemper Financial Services, Kennedy Capital Management Inc., Kingsley, Jennison, McNulty & Morse Inc., Knowles & Armstrong Inc., Nicholas B. Kronwall Inc.

Cyrus J. Lawrence Inc., Lazard Freres Asset Management, R.M. Leary & Co. Inc., Legg Mason Capital Management Inc., Lehman Management Co. Inc., Leland O'Brien Rubinstein Associates Inc., Julian A. Lerner & Associates Inc., Lexington Management Corp., Leylegian Investment Management, Lincoln Capital Management Co., Lincoln National Life Insurance Co., Loomis, Sayles & Co. Inc., Lord, Abbett & Co., Lowry Management Corp., Lynch & Mayer Inc.

MPT Associates, MacKay-Shields Financial Corp., Madison Investment Advisors Inc., Management Asset Corp., The Marine Trust Co., Markston International Inc., William Mason & Co. Inc., Massachusetts Financial Services Co., Massachusetts Mutual Life Insurance Co., McCowan Associates Inc., McCullough & Andrews Inc., McMillion/Eubanks Capital Management, R. Meeder & Associates Inc., Mellon Bank, Mercantile Securities Corp., Merchants Investment Counseling Inc., Meridian Management Co., E.A. Merkle & Associates Inc., Merrill Lynch Asset Management, Metropolitan Life Insurance Co., Miller, Anderson & Sherrerd, Minnesota Mutual Life, Mitchell Hutchins Investment Advisors, Montag & Caldwell Inc., Morgan Guaranty Trust Co. of New York, Morgan Stanley Asset Management Inc., Muhlenkamp and Co. Inc., Muller Asset Management.

NC Capital Management Group, NSR Asset Management, NWQ Investment Management Co., National Bank of Detroit, Neuberger & Berman Pension Management Inc., Newbold's Asset Management, Newport First Investment Services, Nicholas Co. Inc., Northern Capital Management, Northwestern National Bank of Minneapolis, Northwest Quadrant Inc.

Oakwood Counselor Inc., Oppenheimer Capital Corp.

PSM Investors Inc., Parker, Dillon, Carlson & Johnson Inc., Parmelee Management Corp., Penmark Investments Inc., Philadelphia National Bank, Phoenix Mutual Life Insurance Co., Pilgrim, Baxter, Hoyt & Greig, Pilgrim Management Corp., Pioneering Management Corp., T. Rowe Price Associates Inc., Pringle, Flinn, Elvins & Donahoe Inc., Provident Capital Management, Provident Investment Counsel Inc., The Prudential Insurance Co. of America, The Putnam Advisory Co.

Quest Advisory Corp.

Redwood Capital Management Inc., Reich & Tang Inc., Reimer and Koger Associates Inc., Renaissance Investment Management Inc., RepublicBank Dallas, Research Management Associates Inc., Rice, Hall, James & Associates, Riggs National Bank of Washington, Rollert & Sullivan Inc., L.F. Rothschild Asset Management, Rothschild Asset Management, The Rothschild Co., N.M. Rothschild International Asset Management Ltd., Rothschild Securities Corp., Roulston & Co. Inc., Frank Russell Trust Co.

Sabl Associates, Ronald Sadoff Associates, Fayez Sarofim & Co., M.D. Sass Investors Services Inc., Schabacker Investment Management, Schafer Capital Management Co., Scudder, Stevens & Clark, Seattle First National Bank, Seattle Trust and Savings Bank, Securities Counselors of Iowa Inc., Security Pacific Corp., J. & W. Seligman Co. Inc., Seward Corp., Shearson/American Express Asset Management Inc., Sherman, Dean Management and Research Corp., Siebel Capital Management Inc., Sit Investment Associates Inc., Smilen and Safian Inc., Smith Barney, Harris Upham & Co. Inc., Herbert R. Smith Inc., Southeastern Asset Management Inc., Southland Trust Co., Stamford Advisors II, Standish, Ayer & Wood Inc., State Street Research & Management Co., Stein Roe & Farnham, Sterling Capital Management, Stonebridge Capital Management Inc., Strong/Corneliuson Capital Management Inc., Sullivan, Morrissey & Mickle Capital Management Corp.

Tallasi Management Co. Inc., Tamarack Associates, Texas American Bank-Ft. Worth, Texas Commerce Bank, R.F. Thompson Inc., Thompson/Rubinstein Investment Management, Thompson, Siegel & Walmsley Inc., Thorndike, Doran, Paine & Lewis/Wellington Management Co., Thorson Brown Inc., Torray Clark & Co., The Travelers Insurance Co. and Travelers Investment Management Co., Trevor Stewart Burton & Jacobsen Inc., Treynor-Arbit Associates, Trinity Investment Management Corp., Trust Co. Bank, Trust Co. of the West, Trustee & Investors Co. Inc., Tucker Anthony Management Corp., Tukman Capital Management Inc.

Unified Management Corp., United Capital Management, United Investment Counsel Inc., United Missouri Investment Counsel Service, U.S. National Bank of Oregon, United States Trust Co. of New York.

Valley National Bank of Arizona, Value Line Asset Management, Van Cleef, Jordan and Wood Inc., The Vanguard Group, Vaughan, Nelson, Scarborough & McConnell Inc., Verus Capital, Virginia National Bank.

Wachovia Bank & Trust Co., Waite & Correnti, Wall, Patterson, McGrew & Hamilton Inc., Warburg Investment Management International Ltd., Wasatch Advisors Inc., Weiss, Peck & Greer, Wells Fargo Bank/Wells Fargo Investment Advisors, Wentworth Hauser & Violich, Wertheim Asset Management Services Inc., Western Asset Management, Wilmington Capital Management Inc., Wilson Foster & Co. Inc., John R. Wilson, Dean Witter Reynolds Intercapital Inc., William D. Witter Inc., Wood, Struthers & Winthrop Management Corp., Wright Investors' Service

FIXED-INCOME MANAGERS

Aetna Life Insurance Co., AIM Capital Management Inc., Albuquerque Capital Management Inc., Allen & Leavy Investment Management Inc., American Fletcher National Bank, American National Bank and Trust Co., Analytic Investment Management Inc., Atalanta/Sosnoff Capital Corp.

BA Investment Management Corp., David L. Babson Co. Inc., Bailard, Biehl & Kaiser Inc., BancOhio Capital Management, Bankers Life, Bankers Trust Co., Bank of New York, Bank of the Southwest, Bank One Trust Co., BEA Associates Inc., Sanford C. Bernstein & Co. Inc., The Boston Co., Brown Bros., Harriman & Co.

CIGNA Corp., Chase Investors Management Corp., The Chicago Corp., Citicorp: Citi-Investments and Citicorp Investment Management, Clutinger, Williams & Verhoye Inc., Columbia Management Co., Commerce Union Bank, Connecticut Mutual Life Insurance Co., Continental Assurance Co., Continental Illinois National Bank & Trust Co. of Chicago, Continental Investment Advisors, County Bank of St. Louis, Crocker Investment Management Corp., Cumberland Advisors.

Delaware Investment Advisers Inc., Discount Corporation of New York Advisers, Dodge & Cox Inc., Drexel Burnham Lambert Investment Advisors, Dreyfus Management Inc.

E.M.G. Advisors, Eagle Management & Trust Co., Eberstadt Asset Management Inc., Endowment Management & Research Corp., Equitable Life Assurance.

Federated Investment Counseling Inc., The Fidelity Bank, First and Merchants National Bank, First Asset Management, First City National Bank, First Investors Asset Management, The First National Bank of Boston, First Tennessee Investment Management Inc., First Union National Bank, First Wisconsin Trust Co., Fischer, Francis, Trees & Watts Inc., Forstmann-Leff-Degnan, Fixed Income Management, Fourth National Bank & Trust Co., Funds Advisory Co.

Granite State Corp.

John Hancock Mutual Life Insurance Co., Harris Trust and Savings Bank, The Hartford Life Insurance Co., Heritage Investment Advisers Inc., Hibernia National Bank, Hoisington Investment Management Co., Horizon Trust Co., Howe and Rusling Inc., The Huntington Bank of Northeast Ohio.

Independence Investment Associates Inc., Institutional Portfolio Services, InterFirst Bank Dallas, IntraWest Investment Management, INVESCO Capital Management Inc., Investment Advisers Inc., Investment Advisors Inc., Investment and Capital Management Corp., The Investment Counsel Co., Investment Counselors of Maryland Inc.

Jamison, Munsch & Smith, Jennison Associates Capital Corp.

Kemper Financial Services.

Lehman Management Co. Inc., Leland O'Brien Rubinstein Associates Inc., Lincoln Capital Management Co., Lincoln National Life Insurance Co., Loomis, Sayles & Co. Inc., Lord, Abbett & Co.

Mallard, Brogdon & Associates Inc., The Marine Trust Co., Massachusetts Financial Services Co., Massachusetts Mutual Life Insurance Co., Mellon Bank, Mercantile Safe Deposit & Trust Co., Merrill Lynch Asset Management, Metropolitan Life Insurance Co., Miller, Anderson & Sherrerd, Minnesota Mutual Life, Minton/Newbold's Capital Management, Morgan Guaranty Trust Co. of New York, Morgan Stanley Asset Management Inc., Muller Asset Management, Mutual Benefit Life Insurance Co

NSR Asset Management, NWNL Investment Services Corp., National bank of Detroit, New England Mutual Life Insurance Co., New York Life Insurance Co.

Oppenheimer Capital Corp.

Penmark Investments Inc., The Penn Mutual Life Insurance Co., Philadelphia National Bank, Phoenix Mutual Life Insurance Co., T. Rowe Price Associates Inc., Pringle, Flinn, Elvins & Donahoe Inc., The Providence Group Investment Advisory Co., The Prudential Insurance Co. of America, James Punderson & Co. Inc., The Putnam Advisory Co.

Redwood Capital Management Inc., Reimer and Koger Associates Inc., Riggs National Bank of Washington, L.F. Rothschild Asset Management, Rothschild Asset Management, Frank Russell Trust Co.

Ronald Sadoff Associates, Scudder, Stevens & Clark, Seattle First National Bank, Seattle Trust and Savings Bank, Security Asset Management Inc., Security Pacific Corp., Alan G. Seidner Investment-Financial Consultant, Smith Barney, Harris Upham & Co. Inc., Gregory L. Smith & Sons Inc., Herbert R. Smith Inc., Southeastern Asset Management Inc., Standish, Ayer & Wood Inc., Stein Roe & Farnham, Strong/Corneliuson Capital Management Inc.

Tamarack Associates, Teachers Insurance and Annuity Association-College Retirement Equity Fund, Texas Commerce Bank, Thorndike, Doran, Paine & Lewis/Wellington Management Co., The Travelers Insurance Co. and Travelers Investment Management Co., Trevor Stewart Burton & Jacobsen Inc., Trust Co. Bank, Trust Co. of the West, Tucker Anthony Management Corp.

Union Mutual Life Insurance Co., United Missouri Investment Counsel Service, United of Omaha Life Insurance Co., U.S. National Bank of Oregon, United States Trust Co. of New York.

Valley National Bank of Arizona, Van Cleef, Jordan and Wood Inc., The Vanguard Group.

Wachovia Bank & Trust Co., Ward & Wisner Capital Management Inc., Wells Fargo Bank/Wells Fargo Investment Advisors, Wentworth Hauser & Violich, Western Asset Management, Wright Investors' Service

BALANCED MANAGERS

Addison Capital Management, Aetna Life Insurance Co., Albuquerque Capital Management Inc., Albuquerque National Bank, Alexander, Scriver and Associates, Allen & Leavy Investment Management Inc., American National Bank and Trust

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Shawmut Bank of Boston

1 Federal St., Boston, Mass. 02211;
(617) 292-3116

Total assets mgd.	$1,645,000,000
Tax-exempt assets mgd:	
Total	$865,000,000
Fully discretionary	$518,000,000
Master trust assets	na
Minimum separate account	na
Tax-exempt clients	586
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	4

The parent company of Shawmut Bank of Boston is Shawmut Corp.

The bank uses Graham & Dodd as an equity approach and interest-rate anticipation as a fixed-income approach.

As of Jan. 1, the asset mix was 40% stocks, 36% cash and 24% bonds.

David A. Marcoux, vice president, is the chief investment officer; Peter A. Wilson, vice president, is the client contact.

Shearson/American Express Asset Management Inc.

Two World Trade Center, 106th Fl.,
New York, N.Y. 10048; (212)
321-6000

Total assets mgd.	$1,400,000,000
Tax-exempt assets mgd:	
Total	$800,000,000
Fully discretionary	$550,000,000
Minimum separate account	$100,000
Tax-exempt clients	250
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	11
Size of research staff	na

Shearson/American Express Inc. is the parent company.

Shearson/American Express Asset Management's equity approach assesses the direction of the economy. Market timing, low price-earnings stocks, growth stocks and emerging growth stocks are emphasized.

For fixed income, the company evaluates monetary, economic and interest-rate trends; commitments are made to securities of varying quality and maturity to fit clients' needs.

Options are used by the firm.

As of Jan. 1, the asset mix was 80% stocks, 10% bonds and 10% cash.

Clients include the New York State Common Retirement Fund, Jim Walter Pension & Profit Sharing, Newark Beth Israel Medical Center and National Elevator Pension.

Francis L. Fraenkel, president, is the chief investment officer and the client contact.

Sherman, Dean Management and Research Corp.

120 Broadway, New York, N.Y.
10271; (212) 577-3850

Total assets mgd.	$11,000,000
Tax-exempt assets mgd:	
Total	$3,000,000
Fully discretionary	$3,000,000
Minimum separate account	$300,000
Tax-exempt clients	10
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	na

Sherman, Dean Management, a subsidiary of Sherman, Dean & Co., is an equity manager that looks for areas of growth, specializing in natural resources and high technologies.

As of Jan. 1, the asset mix was 87% stocks, 10% bonds and 3% cash.

J. Walter Sherman is the chief investment officer; David Sherman is the client contact.

Shields Asset Management

701 Westchester Ave., White Plains,
N.Y. 10604; (914) 684-6900

Total assets mgd.	$1,360,000,000
Tax-exempt assets mgd:	
Total	$1,350,000,000
Fully discretionary	$1,240,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	86
Types of accounts mgd	CFGJ
No. of portfolio mgrs	na
Size of research staff	na

Shields Asset Management's equity strategy is growth and value oriented; the firm selects stocks according to a top-down strategy that uses market timing. For fixed income, the firm combines anticipation of interest-rate movements and swapping between debt markets.

As of Jan. 1, the asset mix was 53%

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Shields continued from 76

bonds, 38% stocks and 9% cash.

Clients include Superior Officers Council (N.Y.P.D.), Philadelphia Teamsters, Rental Clerks of Northern California and Service Employees International Union.

Wilfred Lumer, vice chairman and Jay Carr, executive vice president, are the chief investment officers; Richard H. Nolan Jr., senior vice president, is the client contact.

Siebel Capital Management Inc.

80 E. Sir Francis Drake Blvd., 4th Fl.,
Larkspur, Calif. 94939; (415)
461-3850

Total assets mgd.	$400,000,000
Tax-exempt assets mgd:	
Total	$383,000,000
Fully discretionary	$383,000,000
Real estate assets mgd	$3,000,000
Minimum separate account	$4,000,000
Tax-exempt clients	56
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	1

Siebel Capital's equity focus is on value expressed both in high quality growth and low price-earnings ratios. The firm's fixed-income approach is macro-oriented and timing sensitive.

Siebel handles real estate investments through its sister corporation, Maier & Siebel.

As of Jan. 1, the asset mix was 55% stocks, 25% bonds and 20% cash.

Clients include General Dynamics, Xerox, Honeywell and Ohio State University.

Kenneth Siebel, principal, is the chief investment officer; Lawrence Mitchell, principal, is the client contact.

Simpson Capital Management Co.

3108 PSFS Bldg., Philadelphia, Pa.
19107; (215) 629-0162

Total assets mgd.	$21,000,000
Tax-exempt assets mgd:	
Total	$5,000,000
Fully discretionary	$5,000,000
Minimum separate account	$400,000
Tax-exempt clients	7
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	0

Simpson Capital Management uses an approach that centers on risk avoidance and high current return for equity selection.

For fixed income, the firm's approach is short-term, using only Treasury bills, Treasury notes and Repos only.

As of Jan. 1, the asset mix was 80% cash, 10% stocks and 10% bonds.

The firm's client list includes Surgical Associates and Jones Industries P.S.T.

Allen J. Simpson is the chief investment officer and the client contact.

Sit Investment Associates Inc.

1714 First Bank Place West,
Minneapolis, Minn. 55402; (612)
332-3223

Total assets mgd.	$243,000,000
Tax-exempt assets mgd:	
Total	$240,000,000
Fully discretionary	$240,000,000
Minimum separate account	$15,000,000
Tax-exempt clients	11
Types of accounts mgd	CF
No. of portfolio mgrs	3
Size of research staff	1

Sit Investment uses a rotational equity style, capitalizing on the intention of the firm to remain small and thereby permit sector shifts to be made to maximize portfolio opportunity.

For fixed income, the firm is defensive, focusing on high-quality, intermediate-term issues. Its style is structured to provide high current income and reduce total portfolio risk.

As of Jan. 1, the asset mix was 77% stocks, 11% cash, 7% bonds and 5% convertibles.

Eugene C. Sit, president, is the chief investment officer; Peter L. Mitchelson, executive vice president, is the client contact.

Smilen and Safian Inc.

220 E. 42nd St., New York, N.Y.
10017; (212) 953-7700

Total assets mgd.	$100,000,000
Tax-exempt assets mgd:	
Total	$65,000,000
Fully discretionary	$65,000,000
Minimum separate account	$350,000
Tax-exempt clients	76
Types of accounts mgd	CEFG
No. of portfolio mgrs	2
Size of research staff	7

Smilen and Safian, an equity manager, follows all listed stocks. The firm varies the asset mix in portfolios between equities (using eight principal market sectors) and cash equivalents, using analysis of economic, fundamental and political factors.

As of Jan. 1, the asset mix was 100% stocks.

Kenneth B. Smilen, chairman, is the chief investment officer; John R. Larkir., vice president, is the client contact.

Smith Affiliated Capital Corp.

1221 Avenue of the Americas, New
York, N.Y. 10124; (212) 382-1680

Total assets mgd.	$75,000,000
Tax-exempt assets mgd:	
Total	$55,000,000
Fully discretionary	$55,000,000
Minimum separate account	na
Tax-exempt clients	9
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	0

Smith Affiliated Capital uses the Graham & Dodd approach for equities. Stocks are evaluated on individual merit and their relative price-earnings ratios.

For fixed income, the firm anticipates interest rates. Strategic decisions relate to the yield curve. Liquidity is important; the firm stresses U.S. government issues.

As of Jan. 1, the asset mix was 55% bonds, 40% stocks and 5% cash.

Clients include American University in Cairo and U.S. Playing Card.

Robert G. Smith is the chief investment officer; Theodore E. Loyd is the client contact.

Smith Barney, Harris Upham & Co. Inc.

1345 Avenue of the Americas, New
York, N.Y. 10105; (212) 399-6141

Total assets mgd.	$859,000,000
Tax-exempt assets mgd:	
Total	$641,000,000
Fully discretionary	$528,000,000
Real estate assets mgd	$205,000,000
Minimum separate account	na
Tax-exempt clients	45
Types of accounts mgd	CEFJ
No. of portfolio mgrs	7
Size of research staff	45

Smith Barney Inc. is the parent company.

Smith Barney's equity approach is aggressive and seeks the highest possible return. The objective is to earn a real rate of return superior to the market averages during the course of a market cycle. The fixed-income approach focuses on active management of quality marketable issues. Changes are made in portfolios based on the trend of interest rates and the relative valuation of market areas.

Real estate investments are offered

Smith Barney continued on 78

The New
Connecticut
National
Bank

A subsidiary of Hartford National Corporation

We are a significant new financial institution serving Connecticut and beyond. Forged from the merging of Hartford National Bank and Connecticut National Bank. Providing business customers with state of the art corporate and trust services, creatively customized to their requirements. Fulfilling their need for a powerful, yet responsive banking partner. Building productive banking relationships on a foundation of financial strength and broad expertise.

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Index to advisers by type of manager

BALANCED MANAGERS (continued from page 76)

Co., American Security Bank, AmeriTrust Co., Amev Asset Management, Amivest Corp., AmSouth, Analytic Investment Management Inc., Ashfield & Co. Inc., Atalanta Capital Corp., Atalanta/Sosnoff Capital Corp., E.W. Axe & Co. Inc.

BA Investment Management Corp., BEA Associates Inc., Badgley & Phelps Inc., Bailard, Biehl & Kaiser Inc., Bankers Trust Co., Bank of California, Bank of New England, Bank of New York, Bank of Oklahoma, Bank of the Southwest, Bank One Trust Co., Bartlett & Co., P.E. Becker Inc., Beese, Fulmer Associates Inc., Sanford C. Bernstein & Co. Inc., Bernstein-Macaulay Inc., Bessemer Trust Co., The Beyreuther Co., George D. Bjurman & Associates, Boatmen's National Bank of St. Louis, The Boston Co., J.C. Bradford & Co., Investment Management Dept., John W. Bristol & Co. Inc., Alexander Brown & Sons Investment Advisory Service, Brown Bros., Harriman & Co., Brundage, Story & Rose.

CFB Advisory Corp., C&S Investment Counseling, Campbell, Reed, Conner & Birdwell Inc., Capital Guardian Trust Co., Capital Management Corp., Capital Supervisors Inc., Capitoline Investment Services Inc., Centerre Trust Co. of St. Louis, Central National Bank of Cleveland, The Central Trust Co., Chase Investment Counsel Corp., Chase Investors Management Corp., Chelsea Management Co., Chemical Bank, Chicago Title and Trust Co., Citicorp: Citi-Investments and Citicorp Investment Management, Citizens Fidelity Bank & Trust Co., The Citizens Trust Co., Clutinger, Williams & Verhoye Inc., Columbia Management Co., Comerica Bank-Detroit, Commerce Bank of Kansas City, Commerce Investment Management Inc., The Connecticut Bank & Trust Co., Consensus of Insiders Inc., Continental Bank, Continental Illinois National Bank & Trust Co. of Chicago, Convest Portfolio Consultants Inc., County Bank of St. Louis, Cramblit & Carney Inc., Crocker Investment Management Corp., Crocker National Bank, Cumberland Advisors.

D.J. Investment Advisors, Dearden, Maguire & Weaver Inc., DeJarnette Investment Advisors, Delafield Asset Management Inc., DiBartolomeo & Co., Walter M. Dixon Jr. Inc., Dodge & Cox Inc., Dreyfus Management Inc., Duff & Phelps Investment Management Co.

Eagle Management & Trust Co., Eberstadt Asset Management Inc., Endowment Management & Research Corp., Equitable Bank, Equitable Life Assurance, Estabrook Capital Management Inc.

FJW Financial Management Inc., The Fidelity Bank, Fidelity Union Bank, Fiduciary Trust Co. of New York, The Fields Investment Group, First American Bank of Nashville, First and Merchants National Bank, First Asset Management, First City National Bank, First Interstate Bank of Oregon, First Interstate Bank of Washington, First Investment Management Corp., First Kentucky Co., First National Bank & Trust Co. of Lincoln, First National Bank & Trust Co. of Tulsa, The First National Bank of Boston, First National Bank of Cincinnati, First National Bank of Commerce, First National Bank of Fort Worth, The First National Bank of Kansas City, First National State Bank of New Jersey, First of America Bank Corp., First Trust Co. of St. Paul, First Union National Bank, First Wisconsin Trust Co., Fleet National Bank, Forstmann-Leff Associates Inc., Fort Hill Investors Management Corp., Fourth National Bank & Trust Co., Frost National Bank, Funds Advisory Co.

Gannett, Welsh, Ives & Kotler Inc., Gardner and Preston Moss Inc., Garrison, Keogh & Co. Inc., Gateway Investment Advisers Inc., Genesee Merchants Bank & Trust Co., Girard Bank, Gofen and Glossberg Inc., Grace Capital Inc., Granite State Corp., The Great West Life Assurance Co.

HPB Trading Systems, HT Investors Inc., John Hancock Mutual Life Insurance Co., Harris, Bretall, McEldowney & Sullivan Inc., Harris Trust and Savings Bank, Heritage Investment Advisers Inc., Hibernia National Bank, Hodeson Roberton Laing Ltd., Howe and Rusling Inc., The Huntington Bank of Northeast Ohio, Huntington National Bank, Hutchinson National Bank & Trust, Hutton Capital Management.

IAA Trust Co., Indiana National Bank, Institutional Capital Corp., Institutional Portfolio Services, InterFirst Bank Dallas, N.A., IntraWest Investment Management, INVESCO Capital Management Inc., Investment Advisers Inc., Investment Advisors Inc., Investment and Capital Management Corp., The Investment Counsel Co., Investment Counselors of Maryland Inc., Investors Management Services Inc., Irving Trust Co.

Jamison, Eaton & Wood Inc., Jennison Associates Capital Corp., Johnson Investment Counsel Inc.

Kahn Brothers & Co. Inc., William J. Kautz Associates Inc., Kemper Financial Services, Kennedy Associates, Kingsley, Jennison, McNulty & Morse Inc., Kirr, Marbach & Co., Kreger Capital Management, Nicholas B. Kronwall Inc.

Lazard Freres Asset Management, John H. Lee & Co., Legg Mason Capital Management Inc., Lehman Management Co. Inc., Lesesne & Co. Inc., Lexington Management Corp., Lincoln First Bank, Lincoln National Life Insurance Co., Loomis, Sayles & Co. Inc., Lord, Abbett & Co.

M&I Investment Management Corp./Marshall & Ilsley Bank, M&T Bank, MH/Elie Investment, MPACT Securities, Madison Investment Advisors Inc., Manufacturers Hanover Trust Co., Marine Midland Bank, The Marine Trust Co., Maryland National Bank, Massachusetts Financial Services Co., McCowan Associates Inc., McCullough & Andrews Inc., McDowell National Bank, C.S. McKee & Co. Inc., Mellon Bank, Mercantile Trust Co., Merchants National Bank, Merrill Lynch Asset Management, Metropolitan Life Insurance Co., Michigan National Investment Corp., Midlantic National Bank, Miller, Anderson & Sherrerd, Monarch Investment Management Corp., Montag & Caldwell Inc., Morgan Guaranty Trust Co. of New York, Morgan Stanley Asset Management Inc., Morison Asset Management, Muller Asset Management, Multinational Investments Inc., Mutual of New York (MONY), Mutual Service Life Insurance Co.

NCNB National Bank, NSR Asset Management, NWQ Investment Management Co., National Bank of Detroit, National City Bank, National Investment Services, Newport Capital Management, Northern Capital Management, The Northern Trust Co., Northwestern National Bank of St. Paul.

The Ohio Co., Old National Bank of Washington, Old Stone Bank, Olson Mobeck & Associates, Inc., Olympic Capital Management Inc., Oppenheimer Capital Corp.

Pacific Investment Management Co., Pacific Mutual Life Insurance Co., Penmark Investments Inc., Pension Portfolio Advisors, M. Pescatello & Co. Inc., Petersen, Flynn & Dinsmore Inc., Philadelphia National Bank, Pittsburgh National Bank, T. Rowe Price Associates Inc., Pringle, Flinn, Elvins & Donahoe Inc., Professional Asset Management Inc., Professional Capital Management, Provident Investment Counsel Inc., The Prudential Insurance Co. of America, The Putnam Advisory Co.

QC-Investor Services Inc.

Rainier National Bank, Ramsay & Ellsworth Inc., Gerald L. Ray & Associates Inc., Redwood Capital Management Inc., Reimer and Koger Associates Inc., The Reiser Co., Renaissance Investment Management Inc., RepublicBank Houston, Research Management Associates Inc., Rice, Hall, James & Associates, Richfield Bank & Trust, Riggs National Bank of Washington, Robshaw & Cheskin Associates Inc., Rollert & Sullivan Inc., Edward C. Rorer & Co. Inc., Rosenberg Capital Management, L.F. Rothschild Asset Management, Rothschild Asset Management, The Rothschild Co., Rothschild Securities Corp., Roulston & Co. Inc., Frank Russell Trust Co.

Ronald Sadoff Associates, Fayez Sarofim & Co., M.D. Sass Investors Services Inc., Schroder Capital Management, Scudder, Stevens & Clark, Seagate Capital Management, Seattle First National Bank, Seattle Trust and Savings Bank, Second National Bank of Warren, Security Trust Co. of Rochester, Shawmut Bank of Boston, Shearson/American Express Asset Management Inc., Shields Asset Management, Siebel Capital Management Inc., Simpson Capital Management Co., Smith Affiliated Capital Corp., Smith Barney, Harris Upham & Co. Inc., Herbert R. Smith Inc., Smoot, Knoche & Co., Society National Bank, Southeastern Asset Management Inc., Southland Trust Co., The Spangler Group, Springfield Marine Bank, Standish, Ayer & Wood Inc., Stein Roe & Farnham, Strong/Corneliuson Capital Management Inc., Stuyvesant Capital Management Corp., Sun Bank, Sun Life Assurance Co. of Canada.

Tamarack Associates, Texas American Bank-Ft. Worth, Texas Commerce Bank, Third National Bank, Thompson, Siegel & Walmsley Inc., Thorndike, Doran, Paine & Lewis/Wellington Management Co., Todd Investment Advisors, The Toledo Trust Co., Trascott, Alyson, Craig Inc., Trevor Stewart Burton & Jacobsen Inc., Trident Investment Management Inc., Trust Co. Bank, Trust Co. of the West.

The Union Central Life Insurance Co., The Union Labor Life Insurance Co., Union Planters National Bank, Trust Department, United Capital Management, United Missouri Investment Counsel Service, U.S. National Bank of Oregon, United States Trust Co. of New York.

Van Cleef, Jordan and Wood Inc., Van Deventer & Hoch, The Vanguard Group, Van Strum & Towne Inc., Vaughan, Nelson, Scarborough & McConnell Inc., Virginia Investment Counselors.

Wachovia Bank & Trust Co., Wall, Patterson, McGrew & Hamilton Inc., Wasatch Advisors Inc., Webster Management Corp., Weiss, Peck & Greer, Wells Fargo Bank/Wells Fargo Investment Advisors, Wentworth Hauser & Violich, Wertheim Asset Management Services Inc., Western Asset Management, Western Reserve Capital Management Inc., Wilmington Trust Co., Winchester Capital Management Co., Wisconsin Valley Trust Co., Wolf, Webb, Burk & Campbell Inc., Wood, Struthers & Winthrop Management Corp., Wright Investors' Service.

York Bank Asset Management Services.

REAL ESTATE MANAGERS

Abacus Realty Advisors Inc., Aetna Life Insurance Co., Aldrich, Eastman & Waltch Inc., Alster International, Am Cal Co., American National Bank and Trust Co.

Bailard, Biehl & Kaiser Inc., Balcor/American Express Inc., Bankers Life, Bank One Trust Co.

CIGNA Corp., Capital Consultants Inc., Chase Investors Management Corp., Citicorp: Citi-Investments and Citicorp Investment Management, Coldwell Banker, Connecticut Mutual Life Insurance Co., Copley Real Estate Advisors, Corporate Property, Crocker Real Estate Investment Group.

D.A. Management Consultants.

Eagle Management & Trust Co., Eastdil Advisers Inc., Richard Ellis Inc., Equitable Life Assurance, Equitec Institutional Realty Advisers.

First Asset Management, The First National Bank of Boston, First Wisconsin Trust Co.

Greater Boston Realty Advisors Inc., Grubb & Ellis Co.

John Hancock Mutual Life Insurance Co., Hutchinson National Bank & Trust.

InterFirst Bank Dallas, The Investment Counsel Co.

JMB Institutional Realty Corp., Jones Lang Wootton Realty Advisors.

Thomas L. Karsten Associates, Kennedy Associates.

Landauer Advisors Inc., The Landsing Corp., LaSalle Advisors Inc., Lawrence-Pearce Urstadt Advisors, Lincoln National Life Insurance Co.

Massachusetts Mutual Life Insurance Co., Metropolitan Life Insurance Co., Morgan Guaranty Trust Co. of New York.

Pacific Mutual Realty, Victor Palmieri and Co. Inc., Penmark Investments Inc., Phoenix Mutual Life Insurance Co., Property Capital Advisors Inc., The Prudential Insurance Co. of America.

The RREEF Funds.

Schroder Real Estate Corp., Seattle First National Bank, Stanfill Paulson & Co.

Tamarack Associates, Texas Commerce Bank, Third National Bank, The Travelers Insurance Co. and Travelers Investment Management Co., Trust Co. of the West.

Valley National Bank of Arizona.

Wachovia Bank & Trust Co.

INTERNATIONAL MANAGERS

ABD International Management Corp., Aetna Life Insurance Co., American National Bank and Trust Co.

Julius Baer Investment Management Inc., Bailard, Biehl & Kaiser Inc., Bankers Trust Co., Bank of New York, Baring International Investment Ltd., The Boston Co., Brown Bros., Harriman & Co.

CB International Investments Ltd., CIGNA Corp., Chase Investors Management Corp., Citicorp: Citi-Investments and Citicorp Investment Management, Martin Currie Inc.

Daiwa International Capital Management Corp.

Eberstadt Asset Management Inc.

The First National Bank of Boston.

G.T. Capital Management Inc., Holborn International.

Ivory & Sime International Inc.

Kangyo Kakumaru Capital Management Corp.

Mellon-Pictet International Management Ltd., Morgan Grenfell Investment Services, Morgan Guaranty Trust Co. of New York.

Newport Capital Management, Nikko International Capital Management Co. (America) Inc.

T. Rowe Price Associates Inc., The Prudential Insurance Co. of America.

N.M. Rothschild International Asset Management Ltd., Frank Russell Trust Co.

SBC Portfolio Management International Inc., Scudder, Stevens & Clark, State Street Bank & Trust Co.

Tamarack Associates, Thorndike, Doran, Paine & Lewis/Wellington Management Co., The Travelers Insurance Co. and Travelers Investment Management Co.

United States Trust Co. of New York.

Van Cleef, Jordan and Wood Inc.

Warburg Investment Management International Ltd.

Yamaichi Capital Management Inc.

Smith Barney continued from 77

through the Smith Barney Real Estate Corp. Minimum account size for participation in a commingled real estate fund is $250,000.

As of Jan. 1, the asset mix was 54% stocks, 34% bonds and 12% cash.

Smith Barney's client list includes Scovill, PPG Industries and Borden Inc.

John A. Sieff, senior vice president, is the chief investment officer; Robert L. Battel, first vice president, is the client contact.

Client contact for Smith Barney Real Estate is Lewis W. Kresch, first vice president.

Smith Breeden Associates

5401 College Blvd., Suite 214,
Leawood, Kan. 66211; (913)
648-1497

Total assets mgd.	$900,000,000
Tax-exempt assets mgd:	
Total	0
Fully discretionary	0
Minimum separate account	$100,000,000
Tax-exempt clients	0
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	0

Smith Breeden is a newly formed hedge manager. For equities and fixed income, the firm's approach is passive. Options and futures are used.

Clients include Franklin Savings Association and Johnson County National Bank.

Douglas T. Breeden, executive vice president, is the chief investment officer.

Gregory L. Smith, president, is the client contact.

Gregory L. Smith & Sons Inc.

5401 College Blvd., Suite 214,
Leawood, Kan. 66211; (913)
648-1497

Total assets mgd.	$318,000,000
Tax-exempt assets mgd:	
Total	$301,000,000
Fully discretionary	$1,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	2
Types of accounts mgd	CEFG
No. of portfolio mgrs	1
Size of research staff	na

Gregory Smith & Sons uses a Graham & Dodd approach for equities and interest-rate anticipation for fixed income. The firm is a "quantitative boutique" and offers a variety of products utilizing futures. Options are also used.

As of Jan. 1, the asset mix was 89% bonds, 10% cash and 1% stocks.

Clients of Gregory L. Smith include the Board of Trade Clearing Corp., Pioneer National Life, Eye Consultants Inc. and First Tennessee Investment Management.

Gregory L. Smith, president, is the chief investment officer and the client contact.

Herbert R. Smith Inc.

1105 Holliday, Wichita Falls, Texas
76301; (817) 723-5577

Total assets mgd.	$173,000,000
Tax-exempt assets mgd:	
Total	$168,000,000
Fully discretionary	$168,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	30
Types of accounts mgd	CEFG
No. of portfolio mgrs	1
Size of research staff	1

Herbert R. Smith Inc. is total return oriented for equity investments. Decisions are based on a fundamental and technical analysis. Market timing and industry rotation approaches are used; growth stocks are emphasized.

For fixed income, the firm uses a technical and fundamental approach to interest rate analysis, with concentration in short- and intermediate-term maturities.

Stock index futures are used for hedging.

As of Jan. 1, the asset mix was 72% stocks, 10% bonds and 18% cash.

The company's client list includes Texas Instruments Inc., Honeywell Inc., Justin Industries and Kerr-McGee Corp.

Herb Smith, president, is the chief investment officer and the client contact.

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Smoot, Knoche & Co.

10 West First South, Suite 312, Salt Lake City, Utah 84101; (801) 328-4836

Total assets mgd.	$672,000,000
Tax-exempt assets mgd:	
Total	$654,000,000
Fully discretionary	$654,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	68
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	na

Smoot, Knoche & Co. has a value-oriented equity approach that blends top-down and bottom-up techniques with fundamental and technical analyses.

For fixed income, the firm uses interest-rate anticipation, and invests in the top three quality rated securities.

As of Jan. 1, the asset mix was 57% stocks, 28% bonds and 15% cash.

Clients include the Utah State Retirement System, Orange County Employees, Arizona Pipe Traders Pension Fund and Montana Power Co.

Allyn Knoche, vice president, is the chief investment officer; Lynn C. Miller, vice president, is the client contact.

Society National Bank

127 Public Square, Cleveland, Ohio 44114; (216) 622-8573

Total assets mgd.	$763,000,000
Tax-exempt assets mgd:	
Total	$384,000,000
Fully discretionary	$384,000,000
Master trust assets	$61,000,000
Minimum separate account	$250,000
Tax-exempt clients	300
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	0

Society National Bank is a subsidiary of Society Corp.

The bank analyzes the trend of relative profitability and relative price-earnings ratios to determine buy, sell and hold positions for equity investments.

The firm's fixed-income approach favors interest rate anticipation.

As of Jan. 1, the asset mix was 36% stocks, 31% bonds, 15% GICs, 11% cash and 7% miscellaneous.

Donald Cruse Jr., senior vice president, is the chief investment officer; Michael P. Fisher, vice president, is the client contact.

Southeastern Asset Management Inc.

5860 Ridgeway Parkway, Memphis, Tenn. 38117; (901) 761-2474

Total assets mgd.	$3,900,000,000
Tax-exempt assets mgd:	
Total	$203,000,000
Fully discretionary	$203,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	58
Types of accounts mgd	CEFG
No. of portfolio mgrs	5
Size of research staff	na

Southeastern Asset Management uses a Graham & Dodd approach emphasizing emerging growth stocks for equity investments. For fixed income, the firm employs interest rate anticipation and sector analysis.

Options and fixed-income futures are used by the firm.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include the cities of Memphis and Jacksonville, University of Tennessee and Charter Co.

James A. Thomas II, president, is the chief investment officer and the client contact.

Southland Trust Co.

1800 Southland Life Tower, Dallas, Texas 75201; (214) 744-1974

Total assets mgd.	$519,000,000
Tax-exempt assets mgd:	
Total	$181,000,000
Fully discretionary	$181,000,000
Real estate assets mgd	$19,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	33
Types of accounts mgd	CFGJ
No. of portfolio mgrs	5
Size of research staff	na

Southland Trust Co. is a subsidiary of Southland Financial Corp.

The firm uses sector rotation for equity investments. Returns are enhanced by selecting and equally weighting stocks likely to lead their industry in price growth.

For fixed income, the firm has an active core (70%) of the portfolio invested in one- to 10-year maturities at all times. The remaining 30% is invested, depending on the interest rate outlook, in securities ranging from cash to 40-year maturity issues.

As of Jan. 1, the asset mix was 33% stocks, 31% cash, 25% bonds and 11% equity real estate.

Clients include Southland Financial, Dallas Police & Fire Pension Fund, Eastern Airlines and Sabine Corp.

John D. Ingle Jr., vice president, is the chief investment officer; Gregg J. Smolenski, vice president-marketing, is the client contact.

The Spangler Group

Old City Hall, 45 School St., Boston, Mass. 02108; (617) 523-5559

Total assets mgd.	$103,000,000
Tax-exempt assets mgd:	
Total	$87,000,000
Fully discretionary	$47,000,000
Real estate assets mgd	$1,000,000
Minimum separate account	$100,000
Tax-exempt clients	6
Types of accounts mgd	CG
No. of portfolio mgrs	2
Size of research staff	1

The Spangler Group's equity investments are selected for their capital appreciation and current income potential. The portfolio's turnover rate is based on analyses of economic and stock market cycles.

For fixed income, the firm's approach is flexible, backed by an ability to shift from a controlled strategy of immunization to one of active management. Options are used.

As of Jan. 1, the asset mix was 45% stocks, 40% bonds, 12% cash, 2% annuities and 1% mortgages.

Clients include National Perforating Corp., Brattle Research and Massachusetts Municipal Association.

Mark Emerson Spangler is chief investment officer and client contact.

Springfield Marine Bank

East Old State Capitol Plaza, Springfield, Ill. 62701; (217) 525-9600

Total assets mgd.	$900,000,000
Tax-exempt assets mgd:	
Total	$400,000,000
Fully discretionary	$350,000,000
Minimum separate account	$100,000
Tax-exempt clients	25
Types of accounts mgd	CEFG
No. of portfolio mgrs	6
Size of research staff	0

Springfield Marine Bank is a subsidiary of Marine Bancorp Inc.

The bank uses a sector rotation approach for its equity investments and employs interest rate anticipation for fixed income.

As of Jan. 1, the asset mix was 75% stocks, 20% bonds and 5% cash.

Clients include the Teacher's Retirement System of Illinois.

Albert H. Walters, president, is the chief investment officer and the client contact.

Stamford Advisors II

44 Wall St., New York, N.Y. 10005; (212) 558-0413

Total assets mgd.	$104,000,000
Tax-exempt assets mgd:	
Total	$60,000,000
Fully discretionary	$60,000,000
Minimum separate account	$100,000
Tax-exempt clients	4
Types of accounts mgd	CF
No. of portfolio mgrs	4
Size of research staff	3

Stamford Advisors II is an equity manager with an emerging growth stock approach for equity investments and interest rate anticipation for fixed income. Options are used occasionally as a hedging device.

As of Jan. 1, the asset mix was 90% stocks and 10% cash.

Clients include Master, Mates & Pilots and National Maritime Union.

J. Morton Davis, senior investment officer, is the chief investment officer; Edward B. Perlberg, managing director, is the client contact.

Standish, Ayer & Wood Inc.

1 Beacon St., Boston, Mass. 02108; (617) 723-4050

Total assets mgd.	$3,043,000,000
Tax-exempt assets mgd:	
Total	$986,000,000
Fully discretionary	$986,000,000
Minimum separate account	$3,000,000

Standish, Ayer continued on 80

Meet a New Breed of Investment Manager

Merchants Investment Counseling, Inc. has created quite a stir in the employee benefit and institutional funds management business.

We emphasize asset mix. We maintain that earnings momentum is the key to stock selection. We are selective when it comes to common stock industry groups and quick to sell non-producers. We look for quality in balance sheet strength, market leadership and management depth. We use a conservative fixed income strategy with the accent on money market investments. We insist on flexibility and a disciplined approach to stock selection. But most of all, we perform.

Call us for convincing proof of that performance. And when you find out that we mean business, use us. We're Merchants Investment Counseling, Inc., working closely with the Trust Division of Merchants National Bank.

MERCHANTS INVESTMENT COUNSELING, INC.
A subsidiary of Merchants National Corporation
One Merchants Plaza, Suite 838 E
Indianapolis, Indiana 46204
317-267-7704

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Standish, Ayer continued from 79

Tax-exempt clients	70
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	6

Standish, Ayer & Wood employs a value approach for equity investments, with economic sector concentration.

For fixed income, the firm uses sector analysis with an intermediate-term maturity orientation; the firm is an active manager and uses what it termed "creative instruments."

Options are used occasionally as a hedging device.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include AT&T, Hershey Foods, Miles Laboratories and Northeastern University.

D. Barr Clayson, managing director, is the chief investment officer; John P. Wilkins is the client contact.

Stanfill Paulson & Co.

201 California St., Suite 500, San
Francisco, Calif. 94111; (415)
391-4170

Total assets mgd.	$14,000,000
Tax-exempt assets mgd:	
Total	0
Fully discretionary	0
Real estate assets mgd	$14,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	0
Types of accounts mgd	na
No. of portfolio mgrs	2
Size of research staff	1

Stanfill Paulson & Co., a real estate manager, recently has become a registered investment adviser; it does not have any tax-exempt accounts currently. It does, however, deal with several corporate and educational endowment accounts on a deal-by-deal basis.

As of Jan. 1, the asset mix was 70% mortgages and 30% equity real estate.

Clients include Textron, Sheet Metal Workers Union of Southern Calif. and National Bank of Washington.

John Stanfill is the chief investment officer; Jon W. Paulson is the client contact.

State Street Bank & Trust Co.

225 Franklin St., Boston, Mass.
02110; (617) 786-3236

Total assets mgd.	$8,600,000,000
Tax-exempt assets mgd:	
Total	$7,100,000,000
Fully discretionary	$7,010,000,000
Master trust assets	$24,400,000,000
Master custodian assets	$10,000,000,000
International assets mgd	$422,000,000
Minimum separate account	na
Tax-exempt clients	200
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	18
Size of research staff	9

State Street Bank & Trust is a "core manager;" in addition it provides international management.

The bank's equity approach is passive with return enhancement sought through the use of quantitative valuation techniques.

For fixed income, the bank is passive and focuses on bond immunization and dedication.

The bank has real estate investment capability. Futures, stock index and fixed-income, are used for hedging.

As of Jan. 1, the asset mix was 45% cash, 40% stocks and 15% bonds.

Clients include Exxon, IBM, The World Bank and Pan American World Airways.

Lyle H. Davis, senior vice president, is the chief investment officer; Harry Sterling Jr., vice president, is the client contact.

State Street Research & Management Co.

225 Franklin St., Boston, Mass.
02110; (617) 482-3920

Total assets mgd.	$11,300,000,000
Tax-exempt assets mgd:	
Total	$10,100,000,000
Fully discretionary	$10,100,000,000
Minimum separate account	na
Tax-exempt clients	na
Types of accounts mgd	CEF
No. of portfolio mgrs	9
Size of research staff	18

State Street's total assets climbed to $11.3 billion in 1982, and tax-exempt assets exceeded $10 billion, according to *Pensions & Investment Age* estimates. During the year, it was acquired by Metropolitan Life Insurance Co. for more than $100 million.

The firm is known for its strong fundamental research for equity management. The bottom-up approach focuses on high quality stocks.

According to the 1983 Money Market Directory, clients include AT&T, Caterpillar Tractor, Exxon and K Mart.

George F. Bennett, managing partner and chief executive officer, is the chief investment officer; Charles Smith, managing partner, is the client contact.

Stein Roe & Farnham

150 South Wacker Dr., Chicago, Ill.
60606; (312) 368-7612

Total assets mgd.	$7,400,000,000
Tax-exempt assets mgd:	
Total	$4,800,000,000
Fully discretionary	$3,900,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	553
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	43
Size of research staff	22

Stein Roe & Farnham invests in equities the firm's valuation model and fundamental analysis have identified as being uniquely undervalued relative to their prospects.

For fixed income, the firm makes use of in-house credit analysis, proprietary interest rate forecasts and sector analysis.

Options are used as a hedging device.

The firm's total assets and tax-exempt assets exclude mutual fund assets.

As of Jan. 1, the asset mix was 68% stocks, 27% bonds and 5% cash.

Clients include Montgomery Ward, National Can, Borg-Warner and Dow Chemical.

Alfred F. Kugel, partner, is the chief investment officer; Marshall B. Front is the client contact.

Sterling Capital Management

2650 NCNB Plaza, Charlotte, N.C.
28210; (704) 372-8670

Total assets mgd.	$240,000,000
Tax-exempt assets mgd:	
Total	$170,000,000
Fully discretionary	$170,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	68
Types of accounts mgd	CEFC
No. of portfolio mgrs	3
Size of research staff	2

Sterling Capital Management is an equity manager. The firm makes a fundamental analysis of the economy and studies the relationship of prices of various assets and their "logic" in the economic cycle. Investment is made on the basis of a sector's current price relative to long range value.

As of Jan. 1, the asset mix was 80% stocks, 15% cash and 5% bonds.

Clients include Wake Forest University, Spartan Mills, Bowater Southern Paper and Flowers Industries.

Leigh Skinner, Olin Nisbet and Robert Avinger are the chief investment officers; Mr. Nisbet is the client contact.

Stonebridge Capital Management Inc.

1880 Century Park East, Suite 717,
Los Angeles, Calif. 90067; (213)
277-1450

Total assets mgd.	$650,000,000
Tax-exempt assets mgd:	
Total	$265,000,000
Fully discretionary	$185,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	15
Types of accounts mgd	CFJ
No. of portfolio mgrs	4
Size of research staff	na

Stonebridge Capital Management's equity approach emphasizes growth stocks, concentrating on a broad spectrum of high technology companies.

For fixed income, the firm uses a flexible approach and attempts to maximize total return using interest rate anticipation.

Stonebridge Capital uses options as a hedging device.

As of Jan. 1, the asset mix was 50% bonds, 25% stocks and 25% cash.

Clients include Director's Guild, Wilshire Boulevard Temple Foundation and Motion Picture Industry Fund.

Marilyn W. Carlson, senior vice president, is the client contact.

Strong/Corneliuson Capital Management Inc.

815 E. Mason St., Milwaukee, Wis.
53202; (414) 765-0620

Total assets mgd.	$434,000,000
Tax-exempt assets mgd:	
Total	$409,000,000
Fully discretionary	$409,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	95
Types of accounts mgd	CEF
No. of portfolio mgrs	2
Size of research staff	na

Strong/Corneliuson's common stock investments reflect a value oriented bottom-up approach; the investments depend upon macroeconomic considerations and other investment alternatives.

The firm actively manages fixed income based on interest-rate anticipation. Portfolios are required to generate a return in excess of the rate of inflation.

As of Jan. 1, the asset mix was 40% cash, 38% stocks and 22% bonds.

Clients include Springs Industries, Masonite Corp., Universal Foods and Public Service Electric and Gas Co. of N.J.

Richard S. Strong and William D. Corneliuson are the chief investment officers; Mr. Corneliuson is the client contact.

Stuyvesant Capital Management Corp.

50 Broad St., New York, N.Y. 10004;
(212) 422-8773

Total assets mgd.	$89,000,000
Tax-exempt assets mgd:	
Total	$66,000,000
Fully discretionary	$60,000,000
Minimum separate account	$500,000
Tax-exempt clients	44
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	na

Stuyvesant Capital uses fundamental research for equities emphasizing traditional value measures, such as return on equity in the 20% range, low debt, earnings per share growth of 15% to 20%, strong balance sheet and a solid management team. Ten-year price reversal patterns are monitored.

For fixed income, the firm's emphasis is on interest rate cycle analysis; the firm takes advantage of intermarket yield spreads and quality spreads to maximize income.

Stock index futures are used as a hedging device.

As of Jan. 1, the asset mix was 50% bonds, 40% stocks and 10% cash.

Clients include Public Service Co. of Colorado, Air Force Association, N.Y.C. Transit Officers Annuity Fund and Bancroft School.

Donald von Wedel, president and managing director, is the chief investment officer and client contact.

Sullivan, Morrissey & Mickle Capital Management Corp.

450 Park Ave., New York, N.Y. 10022;
(212) 832-7440

Total assets mgd.	$52,000,000
Tax-exempt assets mgd:	
Total	$34,000,000
Fully discretionary	$32,000,000
Minimum separate account	$500,000
Tax-exempt clients	12
Types of accounts mgd	CJ
No. of portfolio mgrs	3
Size of research staff	na

Sullivan, Morrissey uses a value oriented approach for equities that seeks the firms with the greatest amount of dollars reinvested into the business at the lowest cost to the investor. It distinguishes between company return and investor return.

In balanced accounts, the firm uses 10-year bonds and short-term paper.

As of Jan. 1, the asset mix was 85% stocks, 12% cash and 3% bonds.

John Sullivan is the chief investment officer and client contact.

Sun Bank

P.O. Box 3631, Orlando, Fla. 32802;
(305) 237-4327

Total assets mgd.	$1,300,000,000
Tax-exempt assets mgd:	
Total	$150,000,000
Fully discretionary	$150,000,000
Real estate assets mgd	$7,000,000
Minimum separate account	na
Tax-exempt clients	380
Types of accounts mgd	CG
No. of portfolio mgrs	10
Size of research staff	2

Sun Bank ris a subsidiary of Sun Banks of Florida Inc. The bank stresses stocks with above-average growth, seeking new developments as a result of new emerging growth characteristics, or cyclical growth developments.

For fixed income, the bank utilizes sector analysis and interest rate participation, keeping a portion of the portfolio available for active swapping.

The bank use options.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds, 5% cash and 5% equity real estate.

James L. Kermes, executive vice president, is the chief investment officer; Victor A. Zollo Jr., assistant vice president, is the client contact.

Sun Life Assurance Co. of Canada

One Sun Life Executive Park,
Wellesley Hills, Mass. 02181; (617)
237-6030

Total assets mgd.	$2,248,000,000
Tax-exempt assets mgd:	
Total	$547,000,000
Fully discretionary	$547,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	na
Types of accounts mgd	CF
No. of portfolio mgrs	9
Size of research staff	10

Sun Life Assurance Co. of Canada is the parent company. Sun Life uses Graham & Dodd and top-down techniques for equity management; the firm is growth and risk-control oriented.

For fixed income, it uses interest rate anticipation and some sector swapping.

As of Jan. 1, the asset mix was 95% fixed-income and 5% stocks.

Clients include American Can, 3M, Lincoln Electric Co. and Moorman Manufacturing Co.

David B. Wray, vice president, is the chief investment officer; H. Holton Wood, director of investment marketing and advisory services, is the client contact.

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Tallasi Management Co. Inc.

1 Battery Park Plaza, New York, N.Y.
10004; (212) 248-3090

Total assets mgd.	$360,000,000
Tax-exempt assets mgd:	
Total	$350,000,000
Fully discretionary	$350,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	32
Types of accounts mgd	CEJ
No. of portfolio mgrs	3
Size of research staff	0

Tallasi Management's equity approach emphasizes sector concentration based on macroeconomic and industry analyses. It uses sector rotation and Graham & Dodd techniques for stock selection.

For fixed income, it anticipates interest rates.

As of Jan. 1 the asset mix was 90% stocks, 2% bonds and 8% cash.

Clients include J.C. Penney Co., Santa Fe Industries, Boy Scouts of America and Ohio University.

E. William Smethurst Jr., is the chief investment officer; Rodney B. Mitchell is the client contact.

Tamarack Associates

P.O. Box 1924, Stockton, Calif.
95201; (209) 957-2747

Total assets mgd.	$15,000,000
Tax-exempt assets mgd:	
Total	$3,000,000
Fully discretionary	$3,000,000
Real estate assets mgd	$5,000,000
Minimum separate account	$250,000
Tax-exempt clients	5
Types of accounts mgd	CJ
No. of portfolio mgrs	2
Size of research staff	2

Tamarack Associates looks for growth opportunities where it can purchase stock and real estate at or below book value. It looks specifically in the Monterey Peninsula for real estate. The firm anticipates interest rates for fixed income.

As of Jan. 1, the asset mix was 38% stocks, 2% bonds, 25% cash and 35% equity real estate.

Clients include Kaiser pension and profit sharing plans, Consulting Cardiology Associates and Perry Farming Co.

Paul F. Soares, investment counsel, is the chief investment officer; David M. Soares, investment counsel, is the client contact.

Teachers Insurance and Annuity Association-College Retirement Equity Fund

730 Third Ave., New York, N.Y.
10017; (212) 490-9000

Total assets mgd.	$25,120,000,000
Tax-exempt assets mgd:	
Total	$25,120,000,000
Fully discretionary	$25,120,000,000
Real estate assets mgd	$6,433,000,000
International assets mgd	$1,279,000,000
Minimum separate account	na
Tax-exempt clients	3,600
Types of accounts mgd	E
No. of portfolio mgrs	95
Size of research staff	4

TIAA-CREF considers itself an aggressive fixed-income manager, willing to deal with less than Baa rated securities. With its 1983 investment disbursement level approaching $3 billion, it operates in both the immediate and future commitment time frame.

As of Jan. 1, the asset mix was 46% stocks, 26% bonds, 1% cash, 3% equity real estate, 23% mortgages and 1% miscellaneous investments.

Walter G. Ehlers, executive vice president of TIAA and James Martin, executive vice pesident of CREF, are the chief investment officers; John A. Somers, senior vice president of TIAA and Frank Pados, senior vice president of securities, are the client contacts.

Alexis Tellis Ltd.

494 Jefferson St., San Francisco,
Calif. 94109; (415) 775-5757

Total assets mgd.	$7,000,000
Tax-exempt assets mgd:	
Total	$2,000,000
Fully discretionary	$2,000,000
International assets mgd	$300,000
Minimum separate account	$150,000
Tax-exempt clients	3
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	0

Alexis Tellis invests in local emerging and established companies after thorough research; it continuously monitors them thereafter. It invests in special situations and the general equity market through other carefully selected managers.

The firm makes local fixed-income investments based on its investigations. Other fixed-income investigations are made subject to national and international economic and political considerations.

The firm has about $300,000 invested internationally, all in foreign bonds.

As of Jan. 1, the asset mix was 27% stocks, 56% bonds, 8% cash and 9% foreign investments.

Clients include Podesta Drivers.

Alexis Tellis, president, is the chief investment officer and the client contact.

Templeton Investment Counsel Ltd.

405 Central Ave., P.O. Box 3942, St.
Petersburg, Fla. 33731; (800)
237-0738

Total assets mgd.	$2,400,000,000
Tax-exempt assets mgd:	
Total	$1,100,000,000
Fully discretionary	$1,100,000,000
International assets mgd	$242,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	na
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	1
Size of research staff	4

Templeton Investment Counsel is a global equity manager with interna-

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Templeton continued from 80

tional capabilities. It uses fundamental Graham & Dodd screening techniques and searches for undervalued securities, either on an asset or earnings basis.

As of Jan. 1, the asset mix was 94% stocks, 3% bonds and 3% cash.

Clients include FMC Corp., United Presbyterian Church, General Dynamics and Levi Strauss.

John Marks Templeton is the chief investment officer; Ann-Margaret Ulrich is the client contact.

Texas American Bank-Ft. Worth

500 Throckmorton St., Ft. Worth,
Texas 76102; (817) 338-8011

Total assets mgd.	$2,226,000,000
Tax-exempt assets mgd:	
Total	$500,000,000
Fully discretionary	$250,000,000
Master trust assets	$250,000,000
Real estate assets mgd	$10,000,000
Minimum separate account	$500,000
Tax-exempt clients	255
Types of accounts mgd	CEFJ
No. of portfolio mgrs	7
Size of research staff	1

Texas American Bank uses fundamental analysis for equities. For fixed income, it looks at credit quality, yield spreads and interest rate forecasts.

As of Jan. 1, the asset mix was 50% stocks, 43% bonds, 5% cash, 1% equity real estate and 1% mortgages.

Clients include Mrs. Bairds Bakeries, Gearhart Industries, American Chemical Society and Ben E. Keith Co.

Harold M. Achziger, chairman and president of the investment subsidiary, is the chief investment officer; Mr. Achziger and Gary C. Mellon, senior vice president, are the client contacts.

Texas Commerce Bank

601 Milam, P.O. Box 2558, Houston,
Texas, 77252; (713) 236-5788

Total assets mgd.	$3,700,000,000
Tax-exempt assets mgd:	
Total	$2,100,000,000
Fully discretionary	$659,000,000
Master trust assets	$1,200,000,000
Master custodian assets	$2,800,000,000
Real estate assets mgd	$505,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	576
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	9
Size of research staff	5

Texas Commerce Bank combines bottom-up and top-down investment processes for equity investments. It uses qualitative and quantitative analysis for stock selection. Bond portfolios are structured to take advantage of the interest rate environment using duration as a measure of volatility.

As of Jan. 1, the asset mix was 40% stocks, 45% bonds and 15% cash.

Clients include the Bell Systems, the City of Houston Municipal and Firemen and Southern California Rapid Transit.

John W. Mossbarger, senior vice president, is the chief investment officer; Russell K. Schulze, senior vice president, is the client contact.

Third National Bank

Financial Services Division, Nashville,
Tenn. 37244; (615) 748-4390

Total assets mgd.	$1,061,000,000
Tax-exempt assets mgd:	
Total	$375,000,000
Fully discretionary	$375,000,000
Master trust assets	$235,000,000
Master custodian assets	$150,000,000
Real estate assets mgd	$14,000,000
Minimum separate account	$250,000
Tax-exempt clients	410
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	0

Third National Bank in Nashville's equity approach forecasts the business cycle on which it bases its sector investments, including cash. Sector rotation is used. Companies are ranked according to a dividend discount model and quality screen valuation. It attempts to forecast the direction of interest rates based in historical patterns and business cycle climate. It will take major positions in either cash or long bonds.

As of Jan. 1, the asset mix was 24% stocks, 38% bonds, 34% cash and 4% equity real estate.

Clients include Hospital Corporation of America, Tennessee Valley Authority, Murray Ohio Manufacturing and the city of Knoxville.

Charles E. Winger, senior vice president, is the chief investment officer; W.R. Dickerson, senior vice president and trust officer, is the client contact.

R.F. Thompson Inc.

11350 N. Meridian St., Suite 130,
Carmel, Ind. 46032; (317) 846-7223

Total assets mgd.	$15,000,000
Tax-exempt assets mgd:	
Total	$5,000,000
Fully discretionary	$5,000,000
Minimum separate account	$50,000
Tax-exempt clients	25
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	0

R.F. Thompson emphasizes technical factors, although fundamentals are considered. Individual stock selections are based primarily on inhouse technical measurements, and a contrarian approach. The fixed-income approach is passive.

As of Jan. 1, the asset mix was 75% stocks, 5% bonds and 20% cash.

Richard F. Thompson, president, is the chief investment officer; David L. Reuter, vice president-investments, is the client contact.

Thompson/Rubinstein Investment Management

715 W. Morrison St., Suite 604,
Portland, Ore. 97205; (503)
224-1488

Total assets mgd.	$32,000,000
Tax-exempt assets mgd:	
Total	$22,000,000
Fully discretionary	$22,000,000
Minimum separate account	$250,000
Tax-exempt clients	30
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	1

Thompson/Rubinstein approaches equities on the basis of individual stocks, looking for companies with increasing earnings and dividends. It attempts to find value in stocks currently out of favor with the market. For fixed income, it uses short- to medium-term governments and corporates. Liquidity and quality are paramount.

As of Jan. 1, the asset mix was 80% stocks, 18% bonds and 2% cash.

Clients include Portland State University Foundation, Oregon State Bar Association, U.S. Wheat Associates and JB's Restaurants Inc.

Richard A. Rubinstein, president, is the client contact.

Thompson, Siegel & Walmsley Inc.

P.O. Box 14569, Richmond, Va.
23221; (804) 257-7325

Total assets mgd.	$400,000,000
Tax-exempt assets mgd:	
Total	$360,000,000
Fully discretionary	$360,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	45
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	3
Size of research staff	3

Thompson, Siegel pursues a value-oriented equity investment philosophy, utilizing top-down economic and industry sector analyses, valuation analysis, security analysis and a gradualistic approach to market timing.

Fixed-income decisions emphasize interest rate anticipation and sector analysis.

As of Jan. 1, the asset mix was 60% stocks, 30% bonds and 10% cash.

Clients include James River Corp., Reynolds Metals Corp. and United Mine Workers Health and Retirement Funds.

Matthew G. Thompson, John T. Siegel and S. Pierce Walmsley IV are the chief investment officers and client contacts.

Thorndike, Doran, Paine & Lewis/Wellington Management Co.

28 State St., Boston, Mass. 02109;
(617) 742-8100

Total assets mgd.	$8,990,000,000
Tax-exempt assets mgd:	
Total	$4,714,000,000
Fully discretionary	$4,714,000,000
International assets mgd	$25,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	178
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	23
Size of research staff	25

Thorndike, Doran continued on 82

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Investment adviser listing by location

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Birmingham: AmSouth

ARIZONA

Phoenix: Valley National Bank of Arizona

Tucson: Nicholas B. Kronwall Inc.

ARKANSAS

Little Rock: Meridian Management Co.

CALIFORNIA

Glendale: Van Deventer & Hoch

Huntington Beach: D.A. Management Consultants

Irvine: Analytic Investment Management Inc., Northwest Quadrant Inc.

Larkspur: Siebel Capital Management, Tukman Capital Management Inc.

Lafayette: Andron, Cechettini & Associates Inc.

Los Angeles: George D. Bjurman & Associates, Campbell, Reed, Conner & Birdwell Inc., Capital Guardian Trust Co., Chelsea Management Co., Cramblit & Carney Inc., Crocker National Bank, First Pacific Advisors Inc., Froley, Revy Investment Co. Inc. Hotchkis and Wiley, Leland O'Brien Rubinstein Associates Inc. Los Angeles, NWQ Investment Management Co., Security Pacific Corp., Stonebridge Capital Management Inc., Trust Co. of the West, Waite & Correnti, Western Asset Management, Los Angeles

Menlo Park: The Landsing Corp. Leylegian Investment Management

Newport Beach: Argus Investment Management Inc., Cutler & Co. Inc., Newport First Investment Services, Pacific Investment Management Co., Pacific Mutual Life Insurance Co., Pacific Mutual Realty

North Hollywood: Am Cal Co.

Oakland: Equitec Institutional Realty Advisers, Grubb & Ellis Co., ISI Corp.

Palo Alto: Burgess Capital Corp.

Pasadena: Provident Investment Counsel Inc., Alan G. Seidner Investment-Financial Consultant

Portola Valley: The Fields Investment Group

San Diego: California First Capital Management, Clutinger, Williams & Verhoye Inc., Rice, Hall, James & Associates

San Francisco: Ashfield & Co. Inc., BA Investment Management Corp., Bank of California, Crocker Investment Management Corp., Crocker Real Estate Investment Group, Dodge & Cox Inc., G.T. Capital Management Inc., Hambrecht & Quist Equity Management, Harris, Bretall, McEldowney & Sullivan Inc., Thomas L. Karsten Associates, Kingsley, Jennison, McNulty & Morse Inc., McCullough & Andrews Inc., Newport Capital Management, Petersen, Flynn & Dinsmore Inc., The RREEF Funds, Rosenberg Capital Management, Stanfill Paulson & Co., Alexis Tellis Ltd., Van Strum & Towne Inc., Wells Fargo Bank/Wells Fargo Investment Advisors, Wentworth Hauser & Violich

San Mateo: Bailard, Biehl & Kaiser Inc.

Santa Monica: Sabl Associates

Stockton: Tamarack Associates

Ventura: Wilson Foster & Co. Inc.

Woodland Hills: William Mason & Co. Inc.

COLORADO

Colorado Springs: J.H. Ayres & Co. Inc., Ramsay & Ellsworth Inc.

Denver: Alexander, Scriver and Associates, The Beyreuther Co., Cambiar Investors Inc., Cleveland Management Inc., First Trust Corp., IntraWest Investment Management, R.M. Leary & Co. Inc., United Capital Management

Englewood: Financial Trust Co.

CONNECTICUT

Bridgeport: Wright Investors' Service

Fairfield: E M.G. Advisors

Greenwich Equity Advisors Inc., Thorson Brown Inc.

Hartford: Aetna Life Insurance Co., CIGNA Corp., The Connecticut Bank & Trust Co., Connecticut Mutual Life Insurance Co., Connecticut National Bank, The Hartford Life Insurance Co., Phoenix Mutual Life Insurance Co., The Travelers Insurance Co.and Travelers Investment Management Co.

Rock Hill: Olson Mobeck & Associates

Stamford: Oxford Partners

Westport: T.J. Holt & Co. Inc., Management Asset Corp.

DELAWARE

Wilmington: Delfi Management Inc., Wilmington Capital Management Inc., Wilmington Trust Co.

DISTRICT OF COLUMBIA

Washington: American Security Bank, Victor Palmieri and Co. Inc., Riggs National Bank of Washington, Torray Clark & Co.

FLORIDA

Ft. Lauderdale: Consensus of Insiders Inc.

Jacksonville: Professional Capital Management

Orlando: The Investment Counsel Co., Sun Bank

Palm Beach: Lowry Management Corp.

St. Petersburg: Templeton Investment Counsel Ltd.

Tequesta: Dawes Investment Service

Venice: Dale K. Ehrhart Inc.

GEORGIA

Atlanta: Allen & Leavy Investment Management Inc., C&S Investment Counseling, First National Bank of Atlanta, INVESCO Capital Management Inc., Lesesne & Co. Inc., Montag & Caldwell Inc., Professional Asset Management Inc., The Reiser Co., Trust Co. Bank, Wall, Patterson, McGrew & Hamilton Inc.

ILLINOIS

Bloomington: IAA Trust Co.

Chicago: Abacus Realty Advisors Inc., American National Bank and Trust Co., Capital Supervisors Inc., The Chicago Corp., Chicago Title and Trust Co., Continental Assurance Co., Continental Illinois National Bank & Trust Co. of Chicago, Dimensional Fund Advisors Inc., Richard Ellis Inc., Fiduciary Management Associates, The First National Bank of Chicago, Gofen and Glossberg Inc., R.W. Graybill Ltd., Harris Associates Inc., Harris Trust and Savings Bank, The Illinois Co. Inc., Institutional Capital Corp., Institutional Portfolio Services, JMB Institutional Realty Corp., A.M. Kailing & Associates, Kanne, Paris & Hoban, Keeley Asset Management Co., Kemper Financial Services, LaSalle Advisors Inc., Lincoln Capital Management Co., Noddings, Calamos & Associates, The Northern Trust Co., Penmark Investments Inc., Rothschild Securities Corp., Seward Corp., Stein Roe & Farnham, Treynor Arbit

Elmhurst: R.W. Graybill Ltd.

Olympia Fields: Kreger Capital Management

Rolling Meadows: Investment and Capital Management Corp.

Skokie: Balcor/American Express Inc.

Springfield: Springfield Marine Bank

INDIANA

Carmel: R.F. Thompson Inc.

Columbus: Kirr, Marbach & Co.

Ft. Wayne: Lincoln National Life Insurance Co.

Indianapolis: American Fletcher National Bank, Indiana National Bank, Merchants Investment Counseling Inc., Unified Management Corp.

IOWA

Cedar Rapids: The Chapman Co., Merchants National Bank, Securities Counselors of Iowa Inc.

Des Moines: Bankers Life

KANSAS

Hutchinson: Hutchinson National Bank & Trust

Leawood: Smith Breeden Associates, Gregory L. Smith & Sons Inc.

Merriam: Reimer and Koger Associates Inc.

Wichita: Fourth National Bank & Trust Co.

KENTUCKY

Louisville: Citizens Fidelity Bank & Trust Co., First Kentucky Co., Todd Investment Advisors

LOUISIANA

New Orleans: First National Bank of Commerce, Hibernia National Bank

MAINE

Portland: Union Mutual Life Insurance Co.

MARYLAND

Baltimore: Alexander Brown & Sons Investment Advisory Service, Chesapeake Capital Management Inc., Corbyn Associates Inc., Equitable Bank, Investment Counselors of Maryland Inc., Johnson, Valliant & Broadfoot Inc., Legg Mason Capital Management Inc., Maryland National Bank, Mercantile Safe Deposit & Trust Co., T. Rowe Price Associates Inc., Redwood Capital Management Inc., The Rothschild Co.

Gaithersburg: Schabacker Investment Management

MASSACHUSETTS

Boston: Aldrich, Eastman & Waltch Inc., David L. Babson Co. Inc., Bank of New England, Baring International Investment Ltd., Batterymarch Financial Management, The Boston Co., Copley Real Estate Advisors, Eaton & Howard, Vance Sanders Inc., Endowment Management & Research Corp., The First National Bank of Boston, Fort Hill Investors Management Corp., Frontier Capital Management Co. Inc., Gannett, Welsh, Ives & Kotler Inc., Gardner and Preston Moss Inc., Grantham, Mayo, Van Otterloo & Co., Greater Boston Realty Advisors Inc., John Hancock Mutual Life Insurance Co., Heilman, Jordan Management Co. Inc., Independence Investment Associates Inc., Loomis, Sayles & Co. Inc., Massachusetts Financial Services Co., MassCo Investment Management Corp., New England Mutual Life Insurance Co., Pioneering Management Corp., Property Capital Advisors Inc., Putnam Advisory Co., Rollert & Sullivan Inc., Shawmut Bank of Boston, The Spangler Group, Standish, Ayer & Wood Inc., State Street Bank & Trust Co., State Street Research & Management Co., Thorndike, Doran, Paine & Lewis/Wellington, Trinity Investment Management Corp., Trustee & Investors Co. Inc., Tucker Anthony Management Corp., United Investment Counsel Inc., Winchester Capital Management Co.

Carlisle: PSM Investors Inc.

Medfield: Delta Financial Management Corp.

Springfield: Massachusetts Mutual Life Insurance Co., Monarch Investment Management Corp.

Waltham: Granahan-Everitt Investments Inc.

Wellesley: Fiske Capital Management

Wellesley Hills: Sun Life Assurance Co. of Canada

MICHIGAN

Birmingham: Investors Management Services Inc.

Bloomfield Hills: Michigan National Investment Corp.

Detroit: Comerica Bank-Detroit, National Bank of Detroit

Flint: Genesee Merchants Bank & Trust Co.

Kalamazoo: First of America Bank Corp.

Southfield: Pension Portfolio Advisors

MINNESOTA

Minneapolis: C.H. Brown Co., First Asset Management, IDS Advisory Group, Investment Advisers Inc., Jundt/Capen Associates Inc., Morison Asset Management, NWNL Investment Services Corp., Northwestern National Bank of Minneapolis, Sit Investment Associates Inc.

Richfield: Richfield Bank & Trust

St. Paul: First Trust Co. of St. Paul, Minnesota Mutual Life, Mutual Service Life Insurance Co., Northwestern National Bank of St. Paul

MISSOURI

Kansas City: Commerce Bank of Kansas City, The First National Bank of Kansas City, Research Management Associates Inc., United Missouri Investment Counsel Service

St. Louis: Boatmen's National Bank of St. Louis, Centerre Trust Co. of St. Louis, County Bank of St. Louis, General American Life Insurance Co., Kennedy Capital Management Inc., Mercantile Trust Co.

NEBRASKA

Lincoln: Commerce Investment Management Inc., First National Bank & Trust Co. of Lincoln

Omaha: KPSP Investment Management, United of Omaha Life Insurance Co.

NEW JERSEY

Chatham: Ivory & Sime International Inc., Jamison, Eaton & Wood Inc.

Edison: Midlantic National Bank

Elizabeth: City Trust Services

Englewood Cliffs: Lexington Management Corp.

Fort Lee: Pilgrim Management Corp.

Islan Heights: James Punderson & Co. Inc.

Morristown: Horizon Trust Co., National Association

Newark: Fidelity Union Bank, First National State Bank of New Jersey, Mutual Benefit Life Insurance Co., The Prudential Insurance Co. of America

Paramus: Trident Investment Management Inc.

Ridgewood: Forstmann-Leff-Degnan, Fixed Income Management

Teaneck: Trascott, Alyson, Craig Inc.

Vineland: Cumberland Advisors

Westfield: Lipper Analytical Services Inc.

NEW MEXICO

Albuquerque: Albuquerque Capital Management Inc., Albuquerque National Bank

NEW YORK

Buffalo: M&T Bank, Robshaw & Cheskin Associates Inc.

New York: ABD InternationalManagement Corp., Fred Alger Management Inc., Alliance Capital Management Corp., Alster International, American Capital Management Inc., Amev Asset Management, Amivest Corp., Argus Investors' Counsel Inc., Ashland Management Inc., Atalanta Capital Corp., Atalanta/Sosnoff Capital Corp., Avatar Associates, Julius Baer Investment Management Inc., Balch, Hardy & Scheinman Inc., Bankers Trust Co., Bank of New York, BEA Associates Inc., Sanford C. Bernstein & Co. Inc., Bernstein-Macaulay Inc., Bessemer Trust Co., BMI Capital Corp., John W. Bristol & Co. Inc., Brokaw Capital Management Co., Brown Bros., Harriman & Co., Brundage, Story & Rose, William G. Campbell & Co. Inc., Century Capital Associates, Chase Investors Management Corp., Chemical Bank, Citicorp: Citi-Investments and Citicorp Investment Management, Coldwell Banker, Cole, Yeager & Wood Inc., Convest Portfolio Consultants Inc., Corporate Property Investors, Daiwa International Capital Management Corp., Delafield Asset Management Inc., DiBartolomeo & Co., Dillon, Read Capital Inc., Discount Corporation of New York Advisers, Dreyfus Management Inc., Eastdil Advisers Inc., Eberstadt Asset Management Inc., Equitable Life Assurance, Equity Research Associates, Estabrook Capital Management Inc., Fiduciary Counsel Inc., Fiduciary Trust Co. of New York, First Investors Asset Management, First Manhattan Co., Fischer, Francis, Trees & Watts Inc., Florence Fearrington Inc., Forstmann-Leff Associates Inc., GAMCO Investors Inc., Garrison, Keogh & Co. Inc., General American Investors Co. Inc., GeoCapital Investment Management, Grace Capital Inc., Granite State Corp., David J. Greene and Co., Holborn International, Hutton Capital Management, Institutional Petroleum Advisors, Irving Trust Co., Jennison Associates Capital Corp., Jones Lang Wootton Realty Advisors, Kahn Brothers & Co. Inc., Kangyo Kakumaru Capital Management Corp., William J. Kautz Associates Inc., Landauer Advisors Inc., Cyrus J. Lawrence Inc., Lawrence-Pearce Urstadt Advisors, Lazard Freres Asset Management, Lehman Management Co. Inc., Lord, Abbett & Co., Lynch & Mayer Inc., MH/Edie Investment Counsel, MPT Associates, MacKay-Shields Financial Corp., Manufacturers Hanover Trust Co., Marine

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Thorndike continued from 81

Thorndike, Doran focuses on carefully selected and dynamic growing companies. It emphasizes timely identification of the best relative values among companies and periodically the portfolio is repositioned to take advantage of valuation changes. For fixed income, it emphasizes interest rate anticipation, a diversified list of high quality debt securities and internal credit research to minimize risk of principal loss and to optimize total rate.

As of Jan. 1, the asset mix was 67% stocks, 20% bonds and 13% cash.

Clients include AT&T, Caterpillar Tractor Co., IBM and Sperry Corp.

Robert W. Doran, president, director and chief executive officer, is the chief investment officer; Dena W. Reed, senior vice president, is the client contact.

Thorson Brown Inc.

32 Lafayette Place, Greenwich, Conn.
06836; (203) 661-0666

Total assets mgd.	$246,000,000
Tax-exempt assets mgd:	
Total	$68,000,000
Fully discretionary	$55,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	30
Types of accounts mgd	CEF
No. of portfolio mgrs	4
Size of research staff	0

Thorson Brown takes a top-down approach to identify attractive equity investments. Common characteristics of the companies of selected stocks are: leadership in its industry, gaining market share, low debt, strong earnings growth and underownership by institutions.

As of Jan. 1, the asset mix was 75% stocks, 20% bonds and 5% cash.

Clients include the Readers Digest Association Inc.

John H. Plunkett, managing director, is the client contact.

Todd Investment Advisors

3160 First National Tower, Louisville,
Ky. 40202; (502) 585-3121

Total assets mgd.	$1,203,000,000
Tax-exempt assets mgd:	
Total	$1,193,000,000
Fully discretionary	$311,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	29
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	0

Todd Investment's equity approach attempts to identify and concentrate on sectors with superior relative positions. A proprietary "momentum analysis" keys on the attractive sectors and stocks within. For fixed income, major shifts in bond maturity structures are emphasized based on a combination of in-house cycle studies and technical analysis. The firm puts a heavy emphasis on government guaranteed securities with extra yield.

As of Jan. 1, the asset mix was 20% stocks, 66% bonds and 14% cash.

Clients include the City of Memphis Retirement System, Sisters of Mercy, Detroit; Kentucky Teachers Retirement Fund and Maryland Cup Corp.

Bosworth M. Todd Jr., president, is the chief investment officer; C. Prewitt Lane Jr., executive vice president, is the client contact.

The Toledo Trust Co.

Three SeaGate, Toledo, Ohio 43603;
(419) 259-8310

Total assets mgd.	$1,600,000,000
Tax-exempt assets mgd:	
Total	$500,000,000
Fully discretionary	$300,000,000
Master trust assets	$75,000,000
Real estate assets mgd	$25,000,000
Minimum separate account	$250,000
Tax-exempt clients	1,500
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	2

A subsidiary of Toledo TrustCorp Inc., Toledo Trust's equity approach highlights industries that appear attractive in the economic environment. It prefers high quality companies with superior earnings and dividend growth potential relative to the S&P 500 index. For fixed income, it is primarily intermediate-term. Security selection is based upon sector analysis and emphasizes current yield.

Toledo Trust continued on 83

Toledo Trust continued from 82

As of Jan. 1, the asset mix was 45% stocks, 50% bonds and 5% cash.

Clients include Champion Spark Plug, Owens-Illinois, Toledo Museum of Art and Toledo Edison Co.

Richard M. Peterson, senior vice president, is the chief investment officer; Dean T. Fisher, corporate trust officer, is the client contact.

Torray Clark & Co.

8401 Connecticut Ave., N.W. Suite 1111, Washington, D.C. 20015; (202) 654-3121

Total assets mgd.	$1,350,000,000
Tax-exempt assets mgd:	
Total	$1,350,000,000
Fully discretionary	$1,348,000,000
Minimum separate account	na
Tax-exempt clients	na
Types of accounts mgd	na
No. of portfolio mgrs	na
Size of research staff	na

Torray Clark & Co. uses a value-oriented equity approach; it also manages fixed-income accounts.

Clients reportedly include Arvin Industries, NL Industries, J.C. Penney Co. and Storer Broadcasting.

Robert E. Torray, president, is the chief investment officer; David C. Clark, executive vice president, is the client contact.

Trascott, Alyson, Craig Inc.

222 Cedar Lane, P.O. Box 278, Teaneck, N.J. 07666; (201) 836-9000

Total assets mgd.	$10,000,000
Tax-exempt assets mgd:	
Total	$2,000,000
Fully discretionary	0
Minimum separate account	0
Tax-exempt clients	10
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	1

Trascott, Alyson's equity approach attempts to maximize risk-adjusted returns for the long term, using fundamental research analysis of all factors affecting the marketplace and security issues. For fixed income, it uses market analysis and interest rate forecasts, looking for bonds offering safety, liquidity and resistance to excessive downside volatility.

As of Jan. 1, the asset mix was 21% stocks, 48% bonds, 1% cash and 30% cash equivalents.

Felix Shagin is chief investment officer; Douglas E. Ferguson and Tracy Shagin are client contacts.

The Travelers Insurance Co. and Travelers Investment Management Co.

One Tower Square, Hartford, Conn. 06115; (203) 277-6384

Total assets mgd.	$30,252,000,000
Tax-exempt assets mgd:	
Total	$14,264,000,000
Fully discretionary	$14,264,000,000
Real estate assets mgd	$478,000,000
International assets mgd	$29,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	6,000
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	0

Travelers Insurance manages $13 billion and its affiliate, TIMCO, manages almost $1.3 billion in tax-exempt funds. The firms utilize a bottom-up approach to identify and analyze each security for its relative attraction from both a quantitative and qualitative standpoint. They also believe public bonds can provide an important diversification and a stabilizing element within a portfolio.

As of Jan. 1, the asset mix was 63% stocks, 26% bonds and 11% cash. These figures apply to TIMCO's funds. Travelers Insurance's assets are invested primarily in a general account consisting of common stock, private placements, public bonds and mortgages.

Clients include AT&T, Sperry Corp., Gulf Oil and United Technologies.

C. Roderick O'Neil is the chief investment officer; Thomas E. Keating is the client contact.

Trevor Stewart Burton & Jacobsen Inc.

12 E. 41st St., New York, N.Y. 10017; (212) 685-7105

Total assets mgd.	$143,000,000
Tax-exempt assets mgd:	
Total	$105,000,000
Fully discretionary	$105,000,000
International assets mgd	$2,000,000
Minimum separate account	$2,500,000
Tax-exempt clients	33
Types of accounts mgd	CEF
No. of portfolio mgrs	4
Size of research staff	0

Trevor Stewart Burton & Jacobson assumes that conservatively derived, prospective returns are greater for a broad spectrum of stocks relative to bonds.

The firm emphasizes price relative to earnings, cash flow, book values and dividends.

Trevor Stewart tries to anticipate government policy changes and make major shifts in bond allocations between money market instruments and longer-term bonds.

As of Jan. 1, the company's asset mix was 2% stocks, 96% bonds and 2% cash.

Paul W.H. Trevor, chairman, is the chief investment officer; E. Nicholson Stewart, president, is the client contact.

Treynor-Arbit Associates

111 W. Jackson Blvd., Chicago, Ill. 60604; (312) 431-5030

Total assets mgd.	$142,000,000
Tax-exempt assets mgd:	
Total	$142,000,000
Fully discretionary	$142,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	6
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	5

Treynor-Arbit's equity approach is to identify themes it thinks are unappreciated due to biases in the way the consensus analyzes information. It then selects stocks it believes will benefit from each of these themes.

As of Jan. 1, the asset mix was 95% in stocks, 5% cash.

Clients include McDonnell Douglas, the New York City Teachers' Retirement System, Rockefeller Family Fund and Hyatt International.

Harold A. Arbit, president, is the chief investment officer; Edward Matz Jr., senior vice president, is the client contact.

Trident Investment Management Inc.

80 E. Ridgewood Ave., Paramus, N.J. 07652; (201) 265-9600

Total assets mgd.	$680,000,000
Tax-exempt assets mgd:	
Total	$648,000,000
Fully discretionary	$587,000,000
Real estate assets mgd	$78,000,000
International assets mgd	$3,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	63
Types of accounts mgd	CGJ
No. of portfolio mgrs	7
Size of research staff	1

A subsidiary of Pacific Inland Management Corp., Trident uses market timing and sector rotation techniques as the economic/investment environment cycle evolves. It also analyzes the expected economic/investment environment and supply/demand of credit to reach a conclusion on interest rate directions for fixed-income investment decisions.

As of Jan. 1, the asset mix was 50% stocks, 30% bonds, 9% cash, 1% equity real estate and 10% mortgages.

Clients include the State of Idaho Public Employees' Retirement System, Municipal Employees' Annuity & Benefit Fund of Chicago, the City of Dixon, Ill. and the Illinois Police Pension Fund.

John C. Weiner Jr., chairman and chief executive officer, is the chief investment officer; Jennifer K. Weiner, marketing coordinator, is the client contact.

Trinity Investment Management Corp.

28 State St., Boston, Mass. 02109; (617) 742-9525

Total assets mgd.	$175,000,000
Tax-exempt assets mgd:	
Total	$175,000,000
Fully discretionary	$175,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	9
Types of accounts mgd	CEG
No. of portfolio mgrs	3
Size of research staff	0

Trinity Investment is an equity manager. It uses its Multiplex Model, a composite of eight proven valuation

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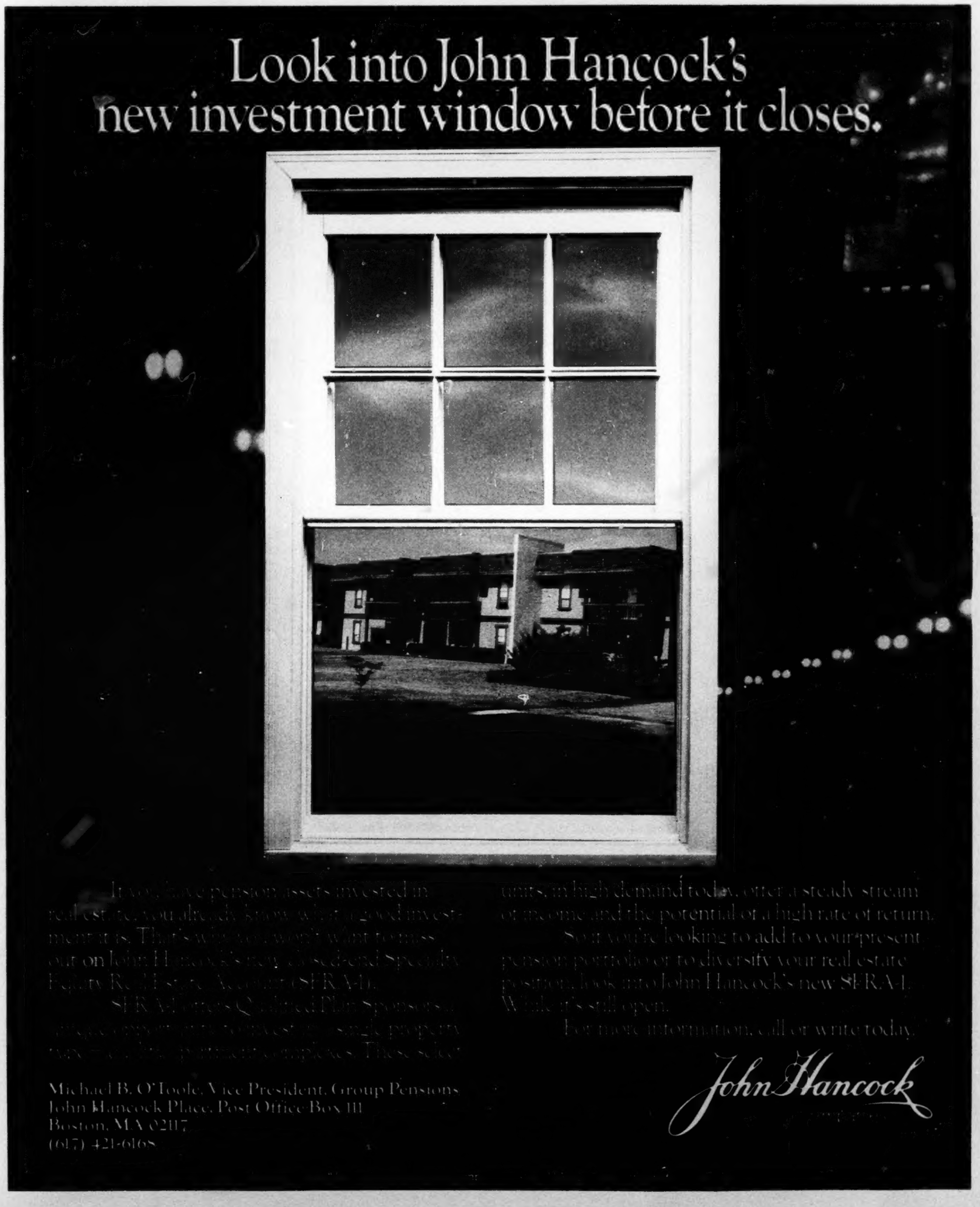

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SFRA-I offers Qualified Plan Sponsors a [illegible] opportunity to invest in single property [illegible] apartment complexes. These select units, in high demand today, offer a steady stream of income and the potential of a high rate of return.

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Michael B. O'Toole, Vice President, Group Pensions
John Hancock Place, Post Office Box 111
Boston, MA 02117
(617) 421-6168

John Hancock

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Trinity continued from page 83

models ranging from Graham & Dodd to dividend discount, to identify undervalued issues. Precise disciplines control buys and sells.

As of Jan. 1, the asset mix was 98% stocks and 2% cash.

Clients include Frank Russell Investment Co., Texaco, Michigan State University and United Airlines.

Eric J. Levin, senior vice president, is the chief investment officer, and Stanford Calderwood, president, is the client contact.

Trust Co. Bank

P.O. Box 4655, Atlanta, Ga. 30302;
(404) 588-7606

Total assets mgd.	$3,200,000,000
Tax-exempt assets mgd:	
Total	$2,000,000,000
Fully discretionary	$2,000,000,000
Master trust assets	$127,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	460
Types of accounts mgd	CEFG
No. of portfolio mgrs	10
Size of research staff	7

A subsidiary of Trust Co. of Georgia, Trust Co. Bank uses fundamental analysis to determine six key characteristics that lead to its stock selections. For fixed income, it evaluates four areas: returns, monetary conditions, economic cycle and commodity prices and other technical information.

As of Jan. 1, the asset mix was 55% stocks, 35% bonds and 10% cash.

Clients include West Point Pepperell, Gold Kist, Equifax, Coca-Cola Co. and Southern Services.

Lawrence J. Trotti, senior vice president, is the chief investment officer; Bruce Z. Bridges, assistant vice president, is the client contact.

Trust Co. of the West

800 W. Sixth St., Los Angeles, Calif.
90017; (213) 485-9500

Total assets mgd.	$4,300,000,000
Tax-exempt assets mgd:	
Total	$4,200,000,000
Fully discretionary	$4,200,000,000
Real estate assets mgd	$105,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	na
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	11
Size of research staff	11

Trust Co. of the West takes a top-down approach to equities. Its goal is to identify changes before they are generally perceived and shift between asset categories and industries to take advantage of changes.

For fixed income, its approach is also top-down. Trust Co. of the West tries to catch cyclical shifts in interest rates and adjust maturities accordingly.

As of Jan. 1, the asset mix was 47% stocks, 38% bonds, 11% cash, 2% equity real estate and 2% TCW Debt & Royalty Fund I.

Clients include AT&T, state of Utah, Southern California Carpenters Pension Fund and the University of Notre Dame.

Ernest O. Ellison, president, is the chief investment officer; Thomas E. Larkin Jr., managing director, is the client contact.

Trustee & Investors Co. Inc.

111 Devonshire St., Boston, Mass.
02109; (617) 482-6017

Total assets mgd.	$300,000,000
Tax-exempt assets mgd:	
Total	$300,000,000
Fully discretionary	$300,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	13
Types of accounts mgd	CEFG
No. of portfolio mgrs	3
Size of research staff	4

Trustee & Investors is an equity manager; it looks for underpriced value. The firms seeks incremental units of risk that produce higher incremental units of reward for equities.

As of Jan. 1, the asset mix was 99% stocks and 1% cash.

Clients include American Natural Resources, Dennison Manufacturing Co., Skidmore College and Northern States Power Co.

Richard L. Weich, investment director, is the chief investment officer; James J. Pallotta, vice president, is the client contact.

Tucker Anthony Management Corp.

Three Center Plaza, Boston, Mass.
02108; (617) 725-2000

Total assets mgd.	$1,150,000,000
Tax-exempt assets mgd:	
Total	$74,000,000
Fully discretionary	$30,000,000
Minimum separate account	$250,000
Tax-exempt clients	14
Types of accounts mgd	CEFJ
No. of portfolio mgrs	6
Size of research staff	5

A subsidiary of Tucker Anthony Holding Corp., Tucker Anthony uses a limited list of common stocks grouped by investment characteristics; the firm's risk/reward strategy determines a percentage participation goal in one or more groups. For fixed income, it uses a staggered list of maturities, investing equal amounts of money during a given number of years. In recent years, their longest maturity has been no more than eight years.

As of Jan. 1, the asset mix was 60% stocks, 20% bonds and 20% cash.

Clients include Jewell Manufacturing, Arrow Automotive, Bernhart Industries and Massachusetts Eye and Ear Infirmary.

Dexter A. Dodge and David L. Richardson, managing directors, are the chief investment officers and the client contacts.

Tukman Capital Management Inc.

60 E. Sir Francis Drake Blvd., #204,
Larkspur, Calif. 94939; (415)
461-6833

Total assets mgd.	$65,000,000
Tax-exempt assets mgd:	
Total	$48,000,000
Fully discretionary	$48,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	11
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	0

Tukman bases its stock selection on fundamental, in-depth research, focusing on fast-growing firms with capitalizations of $5 million to $500 million. It also looks for companies with favorable price/earnings ratios and high equity figures.

As of Jan. 1, the asset mix was 47% stocks and 53% cash.

Clients include the National Association of Accountants, Harcourt Brace Jovanovich, Byer California and Gildred Foundation.

Melvin Tukman, president, is the chief investment officer; Daniel Grossman is the client contact.

U

Unified Management Corp.

600 Guaranty Bldg., 20 N. Meridian
St., Indianapolis, Ind. 46204; (317)
634-3300

Total assets mgd.	$170,000,000
Tax-exempt assets mgd.:	
Total	$2,000,000
Fully discretionary	$2,000,000
Minimum separate account	$250,000
Tax-exempt clients	1
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	0

Unified Management uses proprietary research involving 25 screens that analyze 3,700 securities for undervalued assets. It places emphasis more on income plus growth than straight income; convertible bonds vs. straight debt and South African golds are used.

As of Jan. 1, the asset mix was 80% stocks, 5% bonds and 15% cash.

Clients include Discretionary Management, the Second Presbyterian Church, Ermco Electric Inc. and Woollen & Associates.

Nicholas F. Kaiser, president, is the chief investment officer; Ronald L. Keller is the client contact.

The Union Central Life Insurance Co.

P.O. Box 179, Cincinnati, Ohio 45201;
(513) 595-2200

Total assets mgd.	$1,369,000,000
Tax-exempt assets mgd:	
Total	$399,000,000
Fully discretionary	$399,000,000
Real estate assets mgd	$99,000,000
Minimum separate account	$10,000
Tax-exempt clients	556
Types of accounts mgd	CJ
No. of portfolio mgrs	3
Size of research staff	4

Union Central's equity approach seeks undervalued situations in relation to the market and/or earnings growth potential. In-house research enables it to capitalize on market inefficiencies.

As of Jan. 1, the asset mix was 23% stocks, 34% bonds and 43% cash.

Asher O. Pacholder, vice president, is chief investment officer; John H. Jacobs, assistant vice president, is the client contact.

The Union Labor Life Insurance Co.

850 Third Ave., New York, N.Y.
10022; (212) 752-5200

Total assets mgd.	$1,028,000,000
Tax-exempt assets mgd:	
Total	$791,000,000
Fully discretionary	$170,000,000
Real estate assets mgd	$92,000,000
International assets mgd	$4,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	367
Types of accounts mgd	J
No. of portfolio mgrs	6
Size of research staff	8

Union Labor's equity approach favors low price-earnings ratio stocks and out-of-favor and special situation stocks. Its bond management approach is active, exploiting yield spread differentials.

As of Jan. 1, the asset mix was 14% stocks, 5% bonds, 58% mortgages and 23% in money market funds.

Clients include National Industrial Group Pension Trust Fund, Amalgamated Transit Union, Y.S. Potters Association, International Brotherhood of Pottery & Allied Workers and the Ohio Bricklayers.

James F. Whelan, executive vice president, is the chief investment officer; John G. Herbstsomer, vice president, is the client contact.

Profiles continued on page 85

Investment adviser listing by location

Midland Bank, N.A., Markston International Inc., McCowan Associates Inc., E.A. Merkle & Associates Inc., Merrill Lynch Asset Management, Metropolitan Life Insurance Co.. Mitchell Hutchins Investment Advisors, Morgan Grenfell Investment Services, Morgan Guaranty Trust Co. of New York, Morgan Stanley Asset Management Inc., Muller Asset Management, Mutual of New York (MONY), NSR Asset Management, National Health & Welfare Mutual Life Insurance Association Inc., Neuberger & Berman Pension Management, Nikko International Capital Management Co. (America) Inc., Oakwood Counselor Inc., Oppenheimer Capital Corp., Parmelee Management Corp., Alan Patricof Associates Inc., M. Pescatello & Co. Inc., Quest Advisory Corp., Reich & Tang Inc., L.F. Rothschild Asset Management, Rothschild Asset Management, M.D. Sass Investors Services Inc., SBC Portfolio Management International Inc., Schafer Capital Management Co., Schroder Capital Management, Schroder Real Estate Corp., Scudder, Stevens & Clark, Security Asset Management Inc., J. & W. Seligman Co. Inc., Shearson/American Express Asset Management Inc., Sherman, Dean Management and Research Corp., Smilen and Safian Inc., Smith Affiliated Capital Corp., Smith Barney, Harris Upham & Co. Inc., Stamford Advisors II, Stuyvesant Capital Management Corp., Sullivan, Morrissey & Mickle Capital Management Corp., Tallasi Management Co. Inc., Teachers Insurance and Annuity Association-College Retirement Equity Fund, Trevor Stewart Burton & Jacobsen Inc., The Union Labor Life Insurance Co., United States Trust Co. of New York, Value Line Asset Management, Van Cleef, Jordan and Wood Inc., Verus Capital, Ward & Wisner Capital Management Inc., Webster Management Corp., Weiss, Peck & Greer, Wertheim Asset Management Services Inc., Dean Witter Reynolds Intercapital Inc., William D. Witter Inc., Wood, Struthers & Winthrop Management Corp., Wright Investors' Services.

Rochester: Fielding Management Co. Inc., Howe and Rusling Inc., Lincoln First Bank, QC-Investor Services Inc., Security Trust Co. of Rochester

Tarrytown: E.W. Axe & Co. Inc.

White Plains: Shields Asset Management

NORTH CAROLINA

Charlotte: Capital Technology Inc., First Union National Bank, NCNB National Bank, Sterling Capital Management

Greensboro: McMillion/Eubanks Capital Management

Winston-Salem: Wachovia Bank & Trust Co.

OHIO

Canton: Beese, Fulmer Associates Inc.

Cincinnati: Bartlett & Co., C-S Capital Advisors Inc., Capital Management Corp., The Central Trust Co., The Fifth Third Bank, First National Bank of Cincinnati, Gateway Investment Advisers Inc., Gradison & Co. Inc., Johnson Investment Counsel Inc., Renaissance Investment Management Inc., The Union Central Life Insurance Co.

Cleveland: AmeriTrust Co., Central National Bank of Cleveland, Duff & Phelps Investment Management Co., The Huntington Bank of Northeast Ohio, National City Bank, Roulston & Co. Inc., Society National Bank, Western Reserve Capital Management Inc., John R. Wilson,

Columbus: BancOhio Capital Management, Bank One Trust Co., Chemical Mortgage Co., Huntington National Bank, R. Meeder & Associates Inc., The Ohio Co.

Dayton: DeJarnette Investment Advisors, Parker, Dillon, Carlson & Johnson Inc.

Shaker Heights: Multinational Investments Inc.

Toledo: Seagate Capital Management, The Toledo Trust Co.

Warren: Second National Bank of Warren

OKLAHOMA

Oklahoma City: First Investment Management Corp.

Tulsa: Bank of Oklahoma N.A., First National Bank & Trust Co. of Tulsa

OREGON

Eugene: Thomas D. Kienlen Corp.

Portland: P.E. Becker Inc., Capital Consultants Inc., Columbia Management Co., FJW Financial Management Inc., First Interstate Bank of Oregon, N.A., Thompson/Rubinstein Investment Management, U.S. National Bank of Oregon

PENNSYLVANIA

Bala Cynwyd: Miller, Anderson & Sherrerd

Bradford Woods: Muhlenkamp and Co. Inc.

Jenkintown: D.J. Investment Advisors

Philadelphia: Addison Capital Management, Cashman, Farrell and Associates Inc., Continental Bank, Dearden, Maguire & Weaver Inc., Delaware Investment Advisers Inc., Drexel Burnham Lambert Investment Advisors, Federated Investment Counseling Inc., The Fidelity Bank, First Pennsylvania Bank, Girard Bank, Jamison, Munsch & Smith, Minton/Newbold's Capital Management Newbold's Asset Management, The Penn Mutual Life Insurance Co., Philadelphia National Bank, Pilgrim, Baxter, Hoyt & Greig, Provident Capital Management, Edward C. Rorer & Co. Inc., Simpson Capital Management Co., Wolf, Webb, Burk & Campbell Inc.

Pittsburgh: Knowles & Armstrong Inc., C.S. McKee & Co. Inc., Mellon Bank, Pittsburgh National Bank

Sharon: McDowell National Bank

Valley Forge: The Vanguard Group

Williamsport: N C Capital Management Group

York: York Bank Asset Management Services

RHODE ISLAND

Providence: Fleet National Bank, HT Investors Inc., Old Stone Bank, The Providence Group Investment Advisory Co.

TENNESSEE

Memphis: First Tennessee Investment Management Inc., Southeastern Asset Management Inc., Union Planters National Bank

Nashville: J.C. Bradford & Co., Investment Management Dept., Commerce Union Bank, First American Bank of Nashville, Third National Bank

TEXAS

Austin: MPACT Securities

Dallas: InterFirst Bank Dallas, Julian A. Lerner & Associates Inc., Mercantile Securities Corp., Gerald L. Ray & Associates Inc., RepublicBank Dallas, Southland Trust Co.

Fort Worth: First National Bank of Fort Worth, Texas American Bank-Ft.Worth

Houston: AIM Capital Management Inc., American General Capital Advisors, Bank of the Southwest, Eagle Management & Trust Co., First City National Bank, Funds Advisory Co., Gulf Investment Management Inc., Hoisington Investment Management Co., Investment Advisors Inc., Jenswold, King & Associates, John H. Lee & Co., RepublicBank Houston, Fayez Sarofim & Co., Texas Commerce Bank, Vaughan, Nelson, Scarborough & McConnell Inc.

San Antonio: Frost National Bank

Wichita Falls: Herbert R. Smith Inc.,

VIRGINIA

Charlottesville: Chase Investment Counsel Corp.

Norfolk: Virginia Investment Counselors, Virginia National Bank

Richmond: CFB Advisory Corp., Capitoline Investment Services Inc., Continental Investment Advisors, First and Merchants National Bank, Mallard, Brogdon & Associates Inc., Thompson, Siegel & Walmsley Inc.

Roanoke: Walter M. Dixon Jr. Inc.

WASHINGTON

Seattle: Badgley & Phelps Inc., First Interstate Bank of Washington, Kennedy Associates, Olympic Capital Management Inc., Pringle, Flinn, Elvins & Donahoe Inc., Rainier National Bank, Seattle First National Bank, Seattle Trust and Savings Bank

Spokane: Old National Bank of Washington

Tacoma: Frank Russell Trust Co.

WISCONSIN

Madison: First Wisconsin National Bank of Madison, Madison Investment Advisors Inc., Northern Capital Management

Milwaukee: First Wisconsin Trust Co., Heritage Investment Advisers Inc., M&I Investment Management Corp./Marshall & Ilsley Bank, The Marine Trust Co., N.A., National Investment Services, Nicholas Co. Inc., Ronald Sadoff Associates, Strong/Corneliuson Capital Management Inc.

Sheboygan: The Citizens Trust Co.

Wausau: Wisconsin Valley Trust Co.

CANADA

Toronto, Ontario: Hodgson Roberton Laing Ltd.

Winnipeg, Manitoba: The Great West Life Assurance Co.

ENGLAND

London: CB International Investments Ltd., Warburg Investment Management International Ltd., Mellon-Pictet International Management Ltd.

SCOTLAND

Edinburgh, Scotland: Martin Currie Inc.

Profiles continued from 84

Union Mutual Life Insurance Co.

2211 Congress St., Portland, Maine 04122; (207) 780-2068

Total assets mgd.	$3,300,000,000
Tax-exempt assets mgd:	
Total	$1,900,000,000
Fully discretionary	$1,900,000,000
Minimum separate account	0
Tax-exempt clients	6,000
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	15

Union Mutual's equity approach emphasizes market timing and selects stocks according to a growth and top-down strategy. For fixed income, it offers private placements in commercial mortgages; GICs also are used.

As of Jan. 1, the asset mix was 5% stocks, 47% bonds, 1% equity real estate, 37% mortgages, 1% separate accounts and 9% other miscellaneous investments.

Clients include Northeast Utilities, Prentice-Hall, Uniroyal and Whirlpool Corp.

Johann H. Gouwf is the chief investment officer; Susan Galli, director of marketing services, is the client contact.

Union Planters National Bank, Trust Department

P.O. Box 387, Memphis, Tenn. 38147; (901) 685-2068

Total assets mgd.	$471,000,000
Tax-exempt assets mgd:	
Total	$161,000,000
Fully discretionary	$100,000,000
Real estate assets mgd	$49,000,000
Minimum separate account	$100,000
Tax-exempt clients	na
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	0

A subsidiary of Union Planters Corp., Union Planters National Bank combines sector rotation with market timing, including a wide range of cash reserves, for its equity approach. For fixed income, its basic approach is macroeconomic, leading to maturity structures.

As of Jan. 1, the asset mix was 38% stocks, 50% bonds and 12% cash.

Clients include Shelby County Retirement System, the City of Memphis Board of Education, Memphis Area Transit Authority.

Carl N. Weibel, senior vice president, is the chief investment officer; Charles V. Cifuni, assistant vice president, is the client contact.

United Capital Management

1700 Broadway, Suite 200, Denver, Colo. 80217; (303) 831-9474

Total assets mgd.	$823,000,000
Tax-exempt assets mgd:	
Total	$709,000,000
Fully discretionary	$709,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	19
Types of accounts mgd	CEFG
No. of portfolio mgrs	5
Size of research staff	2

A subsidiary of United Bank of Denver, United Capital's equity approach is contrarian, buying deeply depressed, out-of-favor securities that have major rebound potential based on moderate, conservative assumptions. United Capital Management uses business cycle analysis to evaluate the direction of interest rates. Portfolio structure is determined by spread analysis.

As of Jan. 1, the asset mix was 71% stocks, 28% bonds and 1% cash.

Clients include AT&T, the state of Washington, General Public Utilities and Greyhound Bus Lines.

W. Lon Schreur, president, is the chief investment officer; Denise Bryant, vice president, is the client contact.

United Investment Counsel Inc.

210 Newbury St., Boston, Mass. 02116; (617) 267-8855

Total assets mgd.	$450,000,000
Tax-exempt assets mgd:	
Total	$100,000,000
Fully discretionary	$5,000,000
Minimum separate account	0
Tax-exempt clients	145
Types of accounts mgd	CEFG
No. of portfolio mgrs	10
Size of research staff	15

The United Investment Counsel, a subsidiary of United Business Services, is a market timer in its equity approach; the firm uses growth, emerging growth and low price-earnings ratio stocks.

For fixed income, it anticipates interest rate movements.

As of Jan. 1, the asset mix was 65% stocks, 25% bonds and 10% cash.

Donald G. Parsons, president, is the chief investment officer; Cassie M. Grant, senior vice president, is the client contact.

United Missouri Investment Counsel Service

928 Grand Ave., P.O. Box 226, Kansas City, Mo. 64141; (816) 556-7351

Total assets mgd.	$1,806,000,000
Tax-exempt assets mgd:	
Total	$1,130,000,000
Fully discretionary	$1,000,000,000
Minimum separate account	$500,000
Tax-exempt clients	414
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	10
Size of research staff	5

United Missouri's equity approach is to invest in undervalued companies with strong balance sheets, possible above-average unit growth, and a product line that offers pricing flexibility. For fixed income, the firm's primary emphasis is on maturity shifts keyed to the interest rate outlook. High quality ratings are not sacrificed despite spreads.

As of Jan. 1, the asset mix was 38% stocks, 35% bonds and 27% cash.

Clients include Missouri University, Missouri Highway, V.F. Corp. and Kansas City Power & Light.

Stuart L. Murdoch, executive vice president, is the chief investment officer; David B. Anderson, senior vice president, is the client contact.

United of Omaha Life Insurance Co.

Mutual of Omaha Plaza, Omaha, Neb. 68175; (402) 342-7600

Total assets mgd.	$2,197,000,000
Tax-exempt assets mgd:	
Total	$911,000,000
Fully discretionary	$911,000,000
Minimum separate account	$na
Tax-exempt clients	1,000
Types of accounts mgd	CGJ
No. of portfolio mgrs	2
Size of research staff	8

United of Omaha's equity approach is to buy stocks in undervalued companies that are characterized by above average and increasing return on equity. For fixed income, it matches the maturity or duration of assets and liabilities, with emphasis on private placements of bonds.

As of Jan. 1, the asset mix was 100% bonds.

M. Thomas Crummer, senior executive vice president, is the chief investment officer; David A. Barton, vice president and director, is the client contact.

U.S. National Bank of Oregon

309 S.W. 6th, P.O. Box 3168, Portland, Ore. 97208; (503) 225-4487

Total assets mgd.	$2,074,000,000
Tax-exempt assets mgd:	
Total	$325,000,000
Fully discretionary	$215,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	442
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	5

The institutional investment counseling department of U.S. National Bank of Oregon, a subsidiary of U.S. Bancorp, employs different styles of contrarianism for its equities.

For fixed income, it is balanced between a baseline portion constructed from probability weighted forecasting, and a technical portion moving between cash and long bonds. It handles only tax-exempt assets.

As of Jan. 1, the asset mix was 55% stocks, 25% cash and 20% bonds.

Gary K. Sweitzer is chief investment officer and client contact.

United States Trust Co. of New York

45 Wall St., New York, N.Y. 10005; (212) 425-4500

Total assets mgd.	$8,000,000,000

U.S. Trust continued on page 86

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Group Pension Marketing
New England Life
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(617) 578-5243

New England Life

PI 44 83

U.S. Trust continued from 85

Tax-exempt assets mgd:	
Total	$2,700,000,000
Fully discretionary	$2,500,000,000
Master trust assets	$4,450,000,000
Master custodian assets	$5,000,000,000
Real estate assets mgd	$25,000,000
International assets mgd	$13,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	150
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	13
Size of research staff	13

U.S. Trust Co. of New York is a subsidiary of U.S. Trust Corp.

For equity investments, the bank focuses on emerging growth stocks; for fixed income, it uses interest rate anticipation.

As of Jan. 1, the asset mix was 60% bonds, 38% stocks, 1% equity real estate and 1% international.

Clients include Amax, N.Y. Telephone, Mobil and Sterling Drug.

Jay C. Harbeck, senior vice president, Frank Grady, senior vice president and Perry W. Skjelbred, vice president, are the chief investment officers; John K. Holland is the client contact.

V

Valley National Bank of Arizona

P.O. Box 71, Phoenix, Ariz. 85001;
(602) 261-2900

Total Assets mgd.	$1,857,000,000
Tax-exempt assets mgd.:	
Total	$949,000,000
Fully discretionary	$949,000,000
Master trust assets	$8,000,000
Real estate assets mgd	$191,000,000
Minimum separate account	na
Tax-exempt clients	446
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	4

Valley National Bank of Arizona is a subsidiary of Valley National Corp.

The bank for equity investments determines trend line (normalized) earnings for each company it follows and, based on a scoring system of relative valuation, calculates the stock's attractiveness.

For fixed income, the bank uses market timing, along with sector, maturity and coupon selection.

The bank uses options.

As of Jan. 1, the asset mix was 45% stocks, 25% bonds, 20% mortgages and 10% cash.

R. Lynn Yturri, vice president, is the chief investment officer; Louis U.C. Kisch, vice president and manager, is the client contact.

Value Line Asset Management

711 Third Ave., New York, N.Y.
10017; (212) 687-3965

Total assets mgd.	$1,075,000,000
Tax-exempt assets mgd:	
Total	$1,065,000,000
Fully discretionary	$820,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	35
Types of accounts mgd	CEFG
No. of portfolio mgrs	5
Size of research staff	70

Value Line Asset Management is a subsidiary of Arnold Bernhard & Co. and is an equity manager.

Value Line's stock selection utilizes the Value Line Ranking System. The company buys stocks that are timely and sells those that are no longer expected to perform better than the market.

As of Jan. 1, the asset mix was 80% stocks and 20% cash.

Clients include Eastman Kodak, Conoco, Singer and General Telephone.

Mark K. Tavel, president, is the chief investment officer; Robert H. Pearlman, vice president, is the client contact.

Van Cleef, Jordan and Wood Inc.

230 Park Ave., New York, N.Y. 10169;
(212) 986-2600

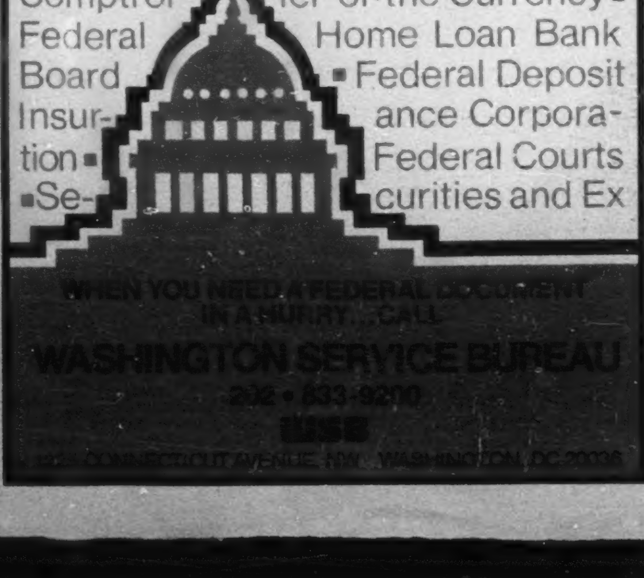
Total assets mgd.	$205,000,000
Tax-exempt assets mgd:	
Total	$100,000,000
Fully discretionary	$100,000,000
International assets mgd	$10,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	6
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	2

Van Cleef, Jordan and Wood's equity approach is a blend of conceptual, fundamental, demand/supply and psychological disciplines. Total return comparisons, upside reward vs. downside risk and dividend growth support stock valuations.

For fixed income, the firm focuses on market rate expectations and the analysis of supply and demand of available funds in various markets, which determines selection of instruments and maturity sectors.

As of Jan. 1, the asset mix was 65% stocks, 30% bonds and 5% cash.

Richard F.F. Nichols Jr., chairman, is the chief investment officer; Carl Lawrence, vice president, is the client contact.



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1225 CONNECTICUT AVENUE, NW., WASHINGTON, DC 20036

Van Deventer & Hoch

420 N. Brand Blvd., Suite 405,
Glendale, Calif. 91203; (213)
245-7461

Total assets mgd.	$316,000,000
Tax-exempt assets mgd:	
Total	$102,000,000
Fully discretionary	$96,000,000
Minimum separate account	$100,000
Tax-exempt clients	na
Types of accounts mgd	CEF
No. of portfolio mgrs	9
Size of research staff	3

Van Deventer & Hoch is a subsidiary of Chemical New York Corp.

The firm uses Graham & Dodd techniques for its equity approach; for fixed income it anticipates the interest rate.

Richard Trautwein, is the chief investment officer; Robert R. Miller is the client contact.

The Vanguard Group

P.O. Box 2600, Valley Forge, Pa.
19482; (215) 648-6000

Total assets mgd.	$2,710,000,000
Tax-exempt assets mgd:	
Total	$949,000,000
Fully discretionary	$949,000,000
International assets mgd	$20,000,000
Minimum separate account	$na
Tax-exempt clients	500
Types of accounts mgd	CEFG
No. of portfolio mgrs	15
Size of research staff	10

Vanguard offers active (aggressive growth, growth, and growth and income) and passive (S&P 500 index fund) management for equity investments.

For fixed income, each fund has its own investment objective and a diversified portfolio is developed accordingly.

As of Jan. 1, the asset mix was 50% stocks, 31% cash and 19% bonds.

Clients include AT&T, Harvard, Kodak and S.R.I. International.

John C. Bogle, chairman, is the chief investment officer; John Antczak and Eileen Fadden are the client contacts.

Van Strum & Towne Inc.

505 Sansome St., Suite 1001, San
Francisco, Calif. 94111; (415)
981-3455

Total assets mgd.	$210,000,000
Tax-exempt assets mgd:	
Total	$64,000,000
Fully discretionary	$46,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	18
Types of accounts mgd	CF
No. of portfolio mgrs	5
Size of research staff	0

Van Strum & Towne uses sector rotation as its equity approach and emphasizes a limited number of industry groups on a one- to two-year basis with little concern for following S&P diversification.

For fixed income, the firm does some lengthening and shortening of maturities depending on the interest rate outlook.

As of Jan. 1, the asset mix was 50% stocks, 39% bonds and 11% cash.

Clients include Utah International, Mills Memorial Hospital, Consolidated Fibres and William Knox Holt Foundation.

J. Ronald Hansen, senior vice president, is the chief investment officer; Robert T. Devlin, vice president, is the client contact.

Vaughan, Nelson, Scarborough & McConnell Inc.

6300 Texas Commerce Tower,
Houston, Texas 77002; (713)
224-2545

Total assets mgd.	$615,000,000
Tax-exempt assets mgd:	
Total	$555,000,000
Fully discretionary	$555,000,000
Minimum separate account	$2,500,000
Tax-exempt clients	52
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	na

Vaughan Nelson's equity approach emphasizes individual issue selection through original primary research, active asset allocation, and rotation of issues and groups through proprietary relative valuation analysis.

The firm's fixed-income approach uses interest rate anticipation and sector analysis.

As of Jan. 1, the asset mix was 70% stocks and 30% bonds.

Clients include Cities Research, Halliburton, Trans World Airlines and United Energy Resources.

Eugene H. Vaughan, president, is the chief investment officer.

John E. Young, principal, is the client contact.

Verus Capital

30 Broad St., New York, N.Y. 10004;
(212) 943-9200

Total assets mgd.	$106,000,000
Tax-exempt assets mgd:	
Total	$106,000,000
Fully discretionary	$106,000,000
International assets mgd	$1,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	7
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	10

Verus Capital's portfolios tend to be actively managed, concentrated (roughly 23 issues), generally fully invested, structured from the bottom-up, and with securities issued both by domestic and international companies.

As of Jan. 1, the asset mix was 86% stocks and 14% cash.

Clients include Allied Corp., ITT, Pfizer and Questor Corp.

Charles C. Reilly, president and director, is the chief investment officer.

Frederic C. Reynolds, vice president, is the client contact.

Virginia Investment Counselors

1001 United Va. Bank Bldg., Norfolk,
Va. 23510; (804) 623-2491

Total assets mgd.	$148,000,000
Tax-exempt assets mgd:	
Total	$64,000,000
Fully discretionary	$64,000,000
Real estate assets mgd	$8,000,000
Minimum separate account	$300,000
Tax-exempt clients	40
Types of accounts mgd	CEF
No. of portfolio mgrs	30
Size of research staff	60

Virginia Investment's equity approach includes top-down, fundamental research, but a great deal of technical material is also utilized.

For fixed income, interest rate anticipation and sector analysis are used with emphasis on timing rate swings and spreads between sectors.

Options are used for hedging.

As of Jan. 1, the asset mix was 40% bonds, 30% stocks and 30% cash.

Virginia Investment Counselors' clients include Hall-Hodges, Mid-Atlantic Coca-Cola Bottling Co., Norshipco Fund and Old Dominion Education Foundation.

Frederick V. Martin, senior portfolio manager, is the chief investment officer.

Eugene W. Hansen is the client contact.

Virginia National Bank

P.O. Box 600, Norfolk, Va. 23501;
(804) 441-4373

Total assets mgd.	$893,000,000
Tax-exempt assets mgd:	
Total	$218,000,000
Fully discretionary	$190,000,000
Master trust assets	$83,000,000
Master custodian assets	$100,000,000
International assets mgd	$12,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	200
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	10

Virginia National Bank's equity management is quantitatively based, emphasizing risk control through diversification across securities markets.

For fixed income, the bank uses quantitative models for risk control and anticipates interest rates. Options are used for hedging.

Virginia National Bank manages about $12 million internationally, half in foreign stocks and half in foreign bonds.

As of Jan. 1, the asset mix was 56% stocks and 44% bonds.

Clients include Acme Visible Records, HRSA—ILA, Royster Co. and Portsmouth General Hospital.

Mark T. Finn, trust executive officer, is the chief investment officer and the client contact.

W

Wachovia Bank & Trust Co.

P.O. Box 3099, Winston-Salem, N.C.
27102; (919) 748-5906

Total assets mgd.	$3,725,000,000
Tax-exempt assets mgd:	
Total	$2,076,000,000
Fully discretionary	$2,076,000,000
Master trust assets	$7,400,000,000
Real estate assets mgd	$450,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	892
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	17
Size of research staff	6

Wachovia Bank's equity approach is to identify major forces and trends in society, translate them into effects on the economy and capitalize on them in portfolios. The objective is to strike a balance between high returns and preservation of principal.

For fixed income, it adds value by adjusting maturity structure to reflect interest rate outlook and shifts, capitalizing on undervalued sectors, evaluating the credit status. The bank uses options.

As of Jan. 1, the asset mix was 30% stocks, 50% bonds, 1% cash and 19% real estate.

Vernon Winters, group vice president, is the chief investment officer; Debbie Tate and Nick Verano are the client contacts.

Waite & Correnti

510 W. Sixth St., Suite 1020, Los
Angeles, Calif. 90014; (213)
623-5277

Total assets mgd.	$280,000,000
Tax-exempt assets mgd:	
Total	$280,000,000
Fully discretionary	$280,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	6
Types of accounts mgd	C
No. of portfolio mgrs	1
Size of research staff	1

Waite & Correnti is an equity manager. Its approach concentrates portfolios 20% to 30% in issues whose profitability ratios and growth rates exceed those of the market while selling at discounts to price-earnings ratios. It does not make bond investments.

As of Jan. 1, the asset mix was 83% stocks and 17% cash.

Clients include Rockwell International, Western Air Lines, Southern California Edison and Xerox.

Leslie A. Waite is the chief investment officer; A.R. Correnti, president, is the client contact.

Wall, Patterson, McGrew & Hamilton Inc.

229 Peachtree St., N.E., Suite 900,
Atlanta, Ga. 30043; (404) 659-6060

Total assets mgd.	$950,000,000
Tax-exempt assets mgd:	
Total	$925,000,000
Fully discretionary	$925,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	46
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	2

Wall, Patterson, McGrew & Hamilton Inc.'s equity approach utilizes a computerized quantitative procedure to select stocks from a prescreened 700-stock universe based on earnings momentum and valuation data. For fixed income, it uses yield-curve analysis to structure portfolios with highest quality instruments.

As of Jan. 1, the asset mix was 70% stocks, 22% bonds snd 8% cash.

Clients include AT&T, Burlington Industries, CIBA-Geigy and Xerox.

James O. Patterson, chairman and president, is the chief investment officer; William M. Robertson, vice president, is the client contact.

Warburg Investment Management International Ltd.

St. Albans House, Goldsmith St.,
London, EC2P 2DL, England;
01-600-4555

Total assets mgd.	$270,000,000

Warburg continued on 87

Warburg continued from 86

Tax-exempt assets mgd:	
Total	$236,000,000
Fully discretionary	$236,000,000
International assets mgd	$226,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	14
Types of accounts mgd	CEF
No. of portfolio mgrs	6
Size of research staff	22

Warburg Investment, an international manager, moves funds among international markets, and stocks, bonds and cash, in order to exploit inefficiences among markets. The firm uses bonds when it thinks the short-term attractiveness outweighs that of equities.

As of Jan. 1, the asset mix was 67% stocks and 33% bonds.

Clients include the Ford Foundation, Atlantic Richfield, Standard Oil Co. (Indiana) and the Sun Co.

C.P. Bishop, director and C.C. Brooke, director, are leading members of the investment strategy committee. B.J. Weiss, director, is the client contact.

Ward & Wissner Capital Management Inc.

380 Madison Ave., New York, N.Y.
10017; (212) 557-2071

Total assets mgd.	$130,000,000
Tax-exempt assets mgd:	
Total	$130,000,000
Fully discretionary	$130,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	6
Types of accounts mgd	CF
No. of portfolio mgrs	2
Size of research staff	2

Ward & Wissner Capital, solely a fixed-income manager, designs bond portfolios to meet specific future liabilities of pension funds.

Each structured design results in a reduction of unfunded liability and a cost savings by locking in current rates, usually well above the rate assumed by the actuary. The firm also employs interest rate futures and options on futures.

As of Jan. 1, the asset mix was 95% bonds and 5% interest rate futures.

Clients include Robertshaw Controls, Gates Rubber and Ormet Corp.

Len Wissner, chairman and Jim Ward, president, are the chief investment officers; Mr. Ward is the client contact.

Wasatch Advisors Inc.

22 East First South, Salt Lake City,
Utah 84111; (801) 533-0777

Total assets mgd.	$41,000,000
Tax-exempt assets mgd.:	
Total	$34,000,000
Fully discretionery	$34,000,000
Minimum separate account	$100,000
Tax-exempt clients	90
Types of accounts mgd	C
No. of portfolio mgrs	2
Size of research staff	3

Wasatch Advisors Inc. screens the financial statements of several thousand companies to identify a small number of low-risk, high-potential securities. For fixed income, when market conditions are appropriate, its defensive strategy results in a substantial portion of the portfolio assets being invested in cash equivalent securities.

As of Jan. 1, the asset mix was 95% stocks and 5% cash.

Clients include Husky Oil Co., Utah Symphony and J.B.'s Big Boy Restaurants.

Samuel S. Stewart Jr., president and director of research, is the chief investment officer; David J. Wagstaff, vice president, is the client contact.

Webster Management Corp.

10 Hanover Square, New York, N.Y.
10005; (212) 635-5049

Total assets mgd.	$2,266,000,000
Tax-exempt assets mgd:	
Total	$230,000,000
Fully discretionary	$160,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	40
Types of accounts mgd	CEF
No. of portfolio mgrs	17
Size of research staff	0

Webster Management Corp. is a subsidiary of Kidder, Peabody & Co. Its equity approach emphasizes fundamental research and individual security selection rather than market timing. Equity selection is based on long-term growth potential of individual companies. Industry classification is secondary. It seeks to minimize credit risk by maintaining a high level of quality and to reduce market risk by stressing flexibility. Its basic fixed-income strategy is to lengthen or shorten maturities in anticipation of interest rate changes and to take advantage of yield spreads. The firm has real estate investment capability.

As of Jan. 1, the asset mix was 55% stocks, 35% bonds and 10% cash.

Clients include Alco Standard Corp., American Packaging, Varo Inc. and North American Coal.

Lawrence W. Kelly, chairman, is the chief investment officer; James D. Taliaferro, executive vice president and director of marketing, is the client contact.

Weiss, Peck & Greer

1 New York Plaza, New York, N.Y.
10004; (212) 908-9500

Total assets mgd.	$1,848,000,000
Tax-exempt assets mgd:	
Total	$1,570,000,000
Fully discretionary	$1,570,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	84
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	5
Size of research staff	5

Weiss, Peck & Greer's stock approach uses asset allocation among major categories, including cash equivalents; industry sector rotation is also used. Stock selection puts special emphasis on small- to medium-size companies; price disciplines are used. For fixed income, the focus is on interest-rate forecasts and quality of credit.

As of Jan. 1, the asset mix was 71% stocks, 23% bonds and 6% cash.

Clients include Johns Hopkins University and McDonalds Corp.

Melville Straus is the chief investment officer; Vincent E. Teti is the client contact.

Wells Fargo Bank/Wells Fargo Investment Advisors

475 Sansome St., San Francisco,
Calif. 94549; (415) 396-3778

Total assets mgd.	$10,000,000,000
Tax-exempt assets mgd:	
Total	$7,200,000,000
Fully discretionary	$4,700,000,000
Master trust assets	$7,800,000,000
Real estate assets mgd	$330,000,000
International assets mgd	$5,000,000
Minimum separate account	$0
Tax-exempt clients	167
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	4

Wells Fargo Bank's investment management subsidiary, Wells Fargo Investment Advisors, provides a range of passive equity and fixed-income core management products, including an S&P 500 index fund, an extended market fund, a yield tilt market fund and an international market fund. The firm uses stock index futures.

Of the $330 million listed as real estate assets, $180 million is tax-exempt accounts handled by Wells Fargo Realty Advisors, a sister company.

As of Jan. 1, the asset mix was 78% stocks, 7% bonds, 10% cash 2% equity real estate and 3% in various other investments.

Clients include AT&T, General Motors, NYC Teachers Retirement System and United Airlines.

William L. Fouse, senior vice president, is the chief investment officer; Thomas A. Middleton, vice president, is the client contact.

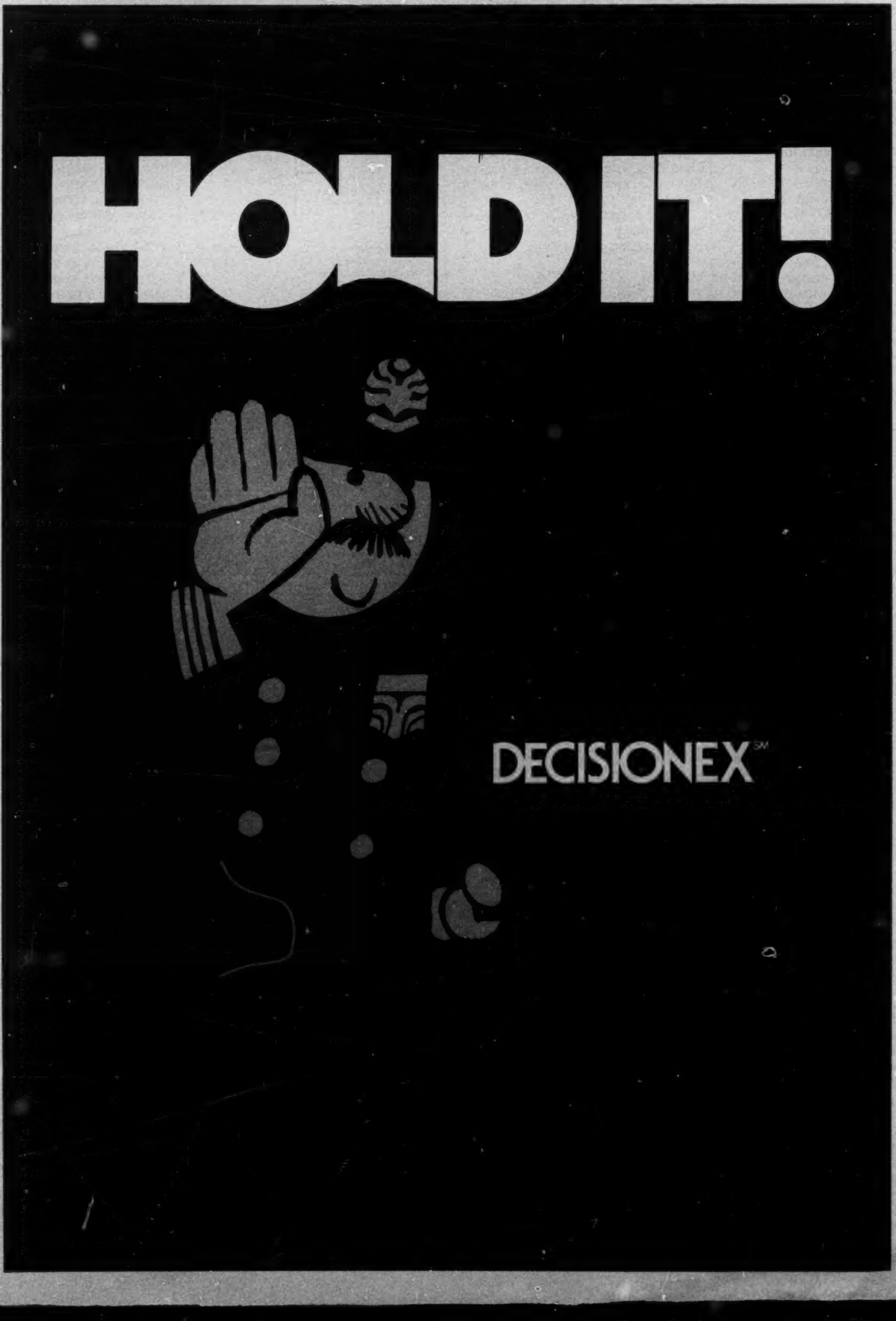
Wentworth Hauser & Violich

333 Sacramento St., San Francisco,
Calif. 94111; (415) 981-6911

Total assets mgd.	$748,000,000
Tax-exempt assets mgd:	
Total	$635,000,000
Fully discretionary	$635,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	66
Types of accounts mgd	CEFG
No. of portfolio mgrs	5
Size of research staff	3

Wentworth Hauser & Violich buys stocks priced lower than the market that have an implied return greater than the market. When the relative price-earnings ratio becomes greater than the relative growth characteristics, the stocks become sale candi

Wentworth continued on 88



Wentworth continued from 87

dates. For fixed income, the firm weights the maturities of portfolios in a bell-shaped curve around the next expected cyclical peak in interest rates. The average maturity is never longer than five years.

As of Jan. 1, the asset mix was 47% stocks, 48% bonds and 5% cash.

Clients include Air Products & Chemicals, Gates Rubber Co., GTE and the Levi Strauss Foundation.

W. Kurt Hauser, president, is the chief investment officer; Bradford Hall, vice president, is the client contact.

Wertheim Asset Management Services Inc.

230 Park Ave., New York, N.Y. 10169; (212) 578-0780

Total assets mgd.	$1,757,000,000
Tax-exempt assets mgd:	
Total	$1,757,000,000
Fully discretionary	$1,477,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	48
Types of accounts mgd	CEFJ
No. of portfolio mgrs	5
Size of research staff	21

Wertheim Asset, a subsidiary of Wertheim & Co. Inc., follows a top-down, value oriented equity approach with varied equity exposure and industry and sector weightings during a market cycle. For fixed income, it stresses principal preservation, high income, and downside protection. It anticipates interest rates and shifts portfolio emphasis during the course of an economic cycle.

As of Jan. 1, the asset mix was 55% stocks, 32% bonds and 13% cash.

Clients include AT&T, Bakery and Confectionery Workers, Lockheed Corp. and Central Maine Power Co.

J. Robert Bloom Jr., executive vice president, is the chief investment officer; Robert P. Follert, vice president, is the client contact.

Western Asset Management

707 Wilshire Blvd., Los Angeles, Calif. 90017; (213) 614-3156

Total assets mgd.	$4,075,000,000
Tax-exempt assets mgd:	
Total	$2,112,000,000
Fully discretionary	$1,869,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	49
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	22
Size of research staff	10

Western Asset Management, a subsidiary of First Interstate Bancorp, constructs portfolios to earn superior returns with measurable levels of risk. For fixed income, it adjusts maturity schedules using duration, rotating among sectors and identifying companies with changing credit characteristics.

As of Jan. 1, the asset mix was 27% stocks, 46% bonds and 27% cash.

Clients include AT&T, Lockheed Corp., Alameda County and Clorox.

Larry D. Edwards, senior vice president, is the chief investment officer; Richard A. Miller, senior vice president, is the client contact.

Western Reserve Capital Management Inc.

Suite 1807 Republic Building, P.O. Box 6778, Cleveland, Ohio 44101; (216) 622-5413

Total assets mgd.	$875,000,000
Tax-exempt assets mgd:	
Total	$875,000,000
Fully discretionary	$875,000,000
Minimum separate account	0
Tax-exempt clients	1
Types of accounts mgd	C
No. of portfolio mgrs	4
Size of research staff	0

Western Reserve Capital Management, an investment management subsidiary of Republic Steel, follows three specific styles on equity investments: an orientation toward value and large capitalized, diversified stocks; an orientation toward high technology, special situations and new issues; and a disciplined combination of fundamental and technical analyses.

For fixed income, it has four styles: active bond management utilizing interest rate anticipation, credit analysis and sector swap analysis; selection emphasizing high quality, intermediate-term maturity; contingent immunization; and active management of dedicated portfolios.

As of Jan. 1, the asset mix was 52% stocks, 34% bonds and 14% cash.

Clients include Republic Steel Corp. and affiliated companies.

Dennis J. Hamilton, president, is the chief investment officer and the client contact.

Wilmington Capital Management Inc.

1 Rodney Square, Suite 807, Wilmington, Del. 19801; (302) 656-8241

Total assets mgd.	$531,000,000
Tax-exempt assets mgd:	
Total	$464,000,000
Fully discretionary	$464,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	19
Types of accounts mgd	CEF
No. of portfolio mgrs	3
Size of research staff	2

Wilmington Capital Management's equity philosophy holds value is distinct from price and is quantifiable through financial analysis. It believes the difference between value and price provides attractive buy and sell opportunities. For fixed income, interest-rate forecasting influences its policies; it is not a market timer. The bulk of assets for fixed is committed to the long-term market and to undervalued sectors.

As of Jan. 1, the asset mix was 88% stocks, 6% bonds and 6% cash.

Clients include Delmarva Power & Light Co., Safeway Stores, Reynolds Metals Co. and Pennsylvania Power & Light.

Daniel F. Mahoney Jr., vice president, director, is the chief investment officer and the client contact.

Wilmington Trust Co.

Rodney Square North, Wilmington, Del. 19890; (302) 651-1000

Total assets mgd.	$11,000,000,000
Tax-exempt assets mgd:	
Total	$6,000,000,000
Fully discretionary	$1,000,000,000
Master trust assets	$100,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	100
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	12
Size of research staff	0

Wilmington Trust Co.'s equity approach is to invest in high quality, fast growing companies that are priced favorably compared with the market. It uses technical price momentum data to identify purchase and sale opportunities.

It uses options.

As of Jan. 1, the asset mix was 50% stocks, 45% bonds and 5% cash.

Bruce L. Marra, senior vice president, is the chief investment officer, and David W. Umbs, vice president, is the client contact.

Wilson Foster & Co. Inc.

4987 Olivas Park Drive, Suite 100, Ventura, Calif. 93001; (805) 644-8207

Total assets mgd.	$61,000,000
Tax-exempt assets mgd:	
Total	$51,000,000
Fully discretionary	$51,000,000
Minimum separate account	na
Tax-exempt clients	43
Types of accounts mgd	CEFJ
No. of portfolio mgrs	3
Size of research staff	1

Wilson Foster & Co. uses a value-oriented approach to equity investment that is keyed to the anticipated attraction of the financial markets; sector rotation is used. It does not manage bonds.

As of Jan. 1, the asset mix was 85% stocks and 15% cash.

Harvey F. Wilson, president, is the chief investment officer; William J. Box Jr., vice president, marketing, is the client contact.

John R. Wilson

1520 Ohio Savings Plaza, Cleveland, Ohio, 44114; (216) 241-1865

Total assets mgd.	$20,000,000
Tax-exempt assets mgd:	
Total	$20,000,000
Fully discretionary	$20,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	15
Types of accounts mgd	CJ
No. of portfolio mgrs	4
Size of research staff	6

John R. Wilson, an equity manager, follows the market based on interest rates. When rates rise, it moves into cash; when rates drop it moves into equities.

The asset mix varies between 100% stocks and 100% cash.

John R. Wilson is the chief investment officer; Ramesh Jhaveri is the client contact.

Winchester Capital Management Co.

1 Federal St., Boston, Mass. 02110; (617) 482-3001

Total assets mgd.	$125,000,000
Tax-exempt assets mgd:	
Total	$85,000,000
Fully discretionary	$85,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	40
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	4
Size of research staff	0

Winchester Capital Management takes an industry approach to equity investments, using a fundamental group of relative valuations. It anticipates interest rates for fixed income.

As of Jan. 1, the asset mix was 70% stocks, 15% bonds and 15% cash.

Clients include the Pneumatic Scale Corp., Valeron, the city of Milford and International Game Technology.

Sidney R. Stern, vice president, is the chief investment officer; Larry C. Grubaugh, president, is the client contact.

Wisconsin Valley Trust Co.

P.O. Box 209, Wausau, Wis. 54401; (715) 845-3121

Total assets mgd.	$147,000,000
Tax-exempt assets mgd:	
Total	$30,000,000
Fully discretionary	$30,000,000
Real estate assets mgd	$3,500,000
Minimum separate account	0
Tax-exempt clients	72
Types of accounts mgd	CFJ
No. of portfolio mgrs	2
Size of research staff	0

The Wisconsin Valley Trust Co.'s equity approach determines its entry and exit from the market by technical and fundamental factors. For fixed income, it follows the economic interest-rate cycle.

As of Jan. 1, the asset mix was 50% stocks, 20% bonds, 25% cash and 5% mortgages.

Clients include Central Wisconsin Bankshares and Loed Profit Sharing plan.

Richard E. Heier, vice president-investments, is the chief investment officer; Howard C. Williams, vice president, is the client contact.

Dean Witter Reynolds Intercapital Inc.

5 World Trade Center, New York, N.Y. 10048; (212) 938-4585

Total assets mgd.	$11,622,000,000
Tax-exempt assets mgd:	
Total	$285,000,000
Fully discretionary	$285,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	25
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	8
Size of research staff	5

A subsidiary of the Dean Witter Reynolds organization, the firm is a sector-oriented equity manager using a process that emphasizes identifying industries rather than individual companies.

Its fixed-income approach seeks to provide a predictable income stream and protection of principal. Anticipation of shifts in the yield curve and in overvalued and undervalued market sectors is used to accomplish this goal.

As of Jan. 1, the asset mix was 85% stocks, 10% bonds and 5% cash.

Clients include AT&T, Owens Illinois, Fort Howard Paper Co. and Taft School.

Jack Vander Vliet, executive vice president, is the chief investment officer; Steven W. Golann, senior vice president, is the client contact.

William D. Witter Inc.

1 Citicorp Center, 153 E. 53 St., New York, N.Y. 10022; (212) 753-7878

Total assets mgd.	$373,000,000
Tax-exempt assets mgd:	
Total	$276,000,000
Fully discretionary	$276,000,000
Minimum separate account	$2,500,000
Tax-exempt clients	40
Types of accounts mgd	CEFG
No. of portfolio mgrs	4
Size of research staff	2

William D. Witter is an equity manager that emphasizes value by concentrating on small- to medium-size companies exhibiting earnings growth rates well above average and sound balance sheets.

As of Jan. 1, the asset mix was 95% stocks and 5% bonds.

Clients include the State of Oregon Pension Fund, Public Service Electric and Gas, Syntex Corp. and W.R. Grace.

William D. Witter, president, is the chief investment officer the client contact.

Wolf, Webb, Burk & Campbell Inc.

1100 Avenue of the Arts Building, Philadelphia, Pa. 19107; (215) 735-5910

Total assets mgd.	$110,000,000
Tax-exempt assets mgd:	
Total	$110,000,000
Fully discretionary	$110,000,000
Minimum separate account	$2,500,000
Tax-exempt clients	16
Types of accounts mgd	CFGJ
No. of portfolio mgrs	3
Size of research staff	1

Wolf, Webb, Burk & Campbell follows an emerging growth and value-oriented approach to equity investments; it is a market timer. The fixed income strategy is keyed to interest rate anticipation, market timing and, to a lesser degree, sector swapping.

As of Jan. 1, the asset mix was 50% stocks, 40% bonds and 10% cash.

Clients include I.B.E.W. Local #654, Nadia Corp., Puritan Fashions Corp. and city of Wichita.

Jerry Wolf, president, is the chief investment officer; Bill Campbell, vice president, is the client contact.

Wood, Struthers & Winthrop Management Corp.

140 Broadway, New York, N.Y. 10005; (212) 902-4300

Total assets mgd.	$1,200,000,000
Tax-exempt assets mgd:	
Total	$560,000,000
Fully discretionary	$420,000,000
Real estate assets mgd	$8,000,000
International assets mgd	$5,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	101
Types of accounts mgd	CEFG
No. of portfolio mgrs	8
Size of research staff	0

Wood, Struthers & Winthrop Management Corp., a subsidiary of Donaldson, Lufkin & Jenrette, uses fundamental analysis for equity investments. It emphasizes stocks with above average growth prospects and with relatively low valuations. Diversification and sector analysis are important in the asset allocation decisions.

For fixed income, the firm uses fundamental research keyed to macroeconomic forecasting, yield curve analysis, sector analysis and credit research. It is biased toward concentrations of high-yielding issues. Holdings are monitored for profitable swapping opportunities.

As of Jan. 1, the asset mix was 70% stocks, 15% bonds, 13% cash and 2% equity real estate.

John R. Reese, president, is the chief investment officer; Angelina M. Painter, marketing director, is the client contact.

Wright Investors' Service

10 Middle St., Bridgeport, Conn. 06604; (203) 333-6666

Total assets mgd.	$1,181,000,000
Tax-exempt assets mgd:	
Total	$1,036,000,000
Fully discretionary	$900,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	79
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	6
Size of research staff	29

Wright Investors' Service utilizes extensive, computer-aided, fundamental analysis and systematic application of comparative rankings of each company's operating record, outlook and market characteristics. For fixed income, it uses yield curve analysis and evaluation of the direction of the interest rates.

As of Jan. 1, the asset mix was 87% stocks and 13% bonds.

Judith T. Corchard, senior vice president, is the chief investment officer; Albert L. Meric Jr., senior vice president, is the client contact.

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Yamaichi Capital Management Inc.

1 World Trade Center, Suite 5361, New York, N.Y. 10048; (212) 432-6600

Total assets mgd.	$270,000,000
Tax-exempt assets mgd:	
Total	$22,000,000
Fully discretionary	$22,000,000
International assets mgd	$22,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	4
Types of accounts mgd	C
No. of portfolio mgrs	5
Size of research staff	133

Yamaichi Capital Management, a newly formed subsidiary of Yamaichi International Capital Management Co. Ltd., is an international investment manager. It uses the orthodox top-down mode culminating in a list of recommended issues. For fixed income, it depends largely on research. The research staff is provided by the parent company.

As of Jan. 1, the asset mix was 66% stocks, 2% bonds and 32% cash.

Clients include IU International, Celanese, United Airlines and Alcan.

Tokuo Tsuji, chairman of Yamaichi Capital and president of Yamaichi International Capital, is the chief investment officer; Teijiro Yamada, director of Yamaichi Capital, is the client contact.

York Bank Asset Management Services

21 E. Market St., York, Pa. 17405; (717) 843-8651

Total assets mgd.	$175,000,000
Tax-exempt assets mgd:	
Total	$55,000,000
Fully discretionary	$40,000,000
Minimum separate account	$100,000
Tax-exempt clients	180
Types of accounts mgd	CEFGJ
No. of portfolio mgrs	3
Size of research staff	0

York Bank Asset, an investment advisory subsidiary of York Bancorp, uses three equity funds sponsored by Frank Russell Investment Co. It also offers two of Frank Russell's fixed-income funds.

As of Jan. 1, the asset mix was 35% stocks, 50% bonds and 15% cash.

Clients include Susquehanna Broadcasting, Colonial Metals, IBEW 229 and Wolf Management.

Gary L. Johnson, vice president, is the chief investment officer; David C. Walters, vice president, is the client contact.

More directories scheduled in '83

This 1983 directory of the leading money management firms is one of several special listings published annually by *Pensions & Investment Age.*

Other listings scheduled to be published this year are as follows:

- Leading international investment advisers will be spotlighted in a directory in the May 30 issue.
- Canadian investment management firms will be highlighted in a listing to be published July 25.
- Also to be published in the July 25 issue of *P&I Age* is a special cash management directory.
- Leading real estate investment advisers will be the focus of a directory to be published in the Sept. 5 issue.

Any money management firm not listed in this year's directory issue that wants to be included next year should write to Michael J. Clowes, Editor, *Pensions & Investment Age,* 220 E. 42 St., New York, N.Y. 10017, Attention: profiles. ■

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Pensions &
Investment Age

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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • April 18, 1983

Alaska fund unloads its ton of gold

By Ivy Schmerken

JUNEAU, Alaska—The $740 million Alaska Public Employees' Retirement Fund sold its ton of gold March 24.

The pension fund sold 40,000 ounces of gold for $414.25 an ounce, for a total price of about $16.6 million.

The gold was purchased in 1980 and early 1981 for $25.1 million at an average price of $613 an ounce. It was part of a larger 75,000-ounce purchase by the Alaska Employees and the $520 million Alaska Teachers Retirement Fund, which together comprise the Alaska State Retirement System. The teachers' fund still holds its share of the gold.

The new deputy commissioner of the Alaska system, Milton Barker, said the gold was sold for two reasons: concern that more declines in the price of oil would further drive down gold prices, and concern that gold was not a prudent investment for pension funds.

"The general feeling was there's not a lot of upside potential in owning gold," said Mr. Barker. And there is also a potential for further price declines."

"The general sentiment was these funds are sterile, and the

Continued on page 32

Late news

AMC ups contribution

SOUTHFIELD, Mich.—American Motors Corp. increased to 3.3 million shares a contribution in common stock for its $300 million pension plan; it also doubled the size of an accompanying public offering to 10 million shares, according to Jerry Sloan, vice president of public relations. Each share brought AMC $5.425 after commissions, placing a $17.9 million value on the contribution, which originally was slated at 3 million shares. AMC's 1982 total contribution is about $57 million. Lazard Freres & Co. and Lehman Bros. Kuhn Loeb co-managed the underwriting syndicate.

Los Angeles bail out

LOS ANGELES—Los Angeles County supervisors are planning to negotiate with the county invest-

Continued on page 2

Eastern, union to share control

Machinists' pension bid flies

By Joel Chernoff

MIAMI—The International Association of Machinists has won at least partial control of about $148 million in pension fund assets now managed by Eastern Air Lines Inc.

The union won partial control over the fund covering mechanics. However it also represents workers covered in other plans. Plans in Eastern's $718 million Fixed Benefit Retirement Income Plans were separated late last year when the company split it up into 11 separate units.

Under a contract recently reached with Eastern mechanics, the union will have two seats on a newly formed Trustee Administration Committee, which will have full investment authority.

However, the size of the committee had not been set when union members ratified the contract. This leaves the union at a disadvantage in gaining its desired goal of joint control of the fund.

Eastern has proposed the company appoint five members to the committee. The union has responded with a counterproposal.

Under one option, labor and management each would name two members and would jointly select a fifth as a referee or neutral to settle disputes. The union also proposed that each name an actuary to serve on the committee, either as a substitute measure or in addition to the first proposal.

The final terms probably will be reached in a month, said Charles Bryan, president and general chairman of District 100 of the union, which represents the Eastern workers.

In any event, the union believes it now will have a say in the fund's investments, and in the setting of actuarial assumptions and methods.

While not expecting any imme-

Continued on page 38

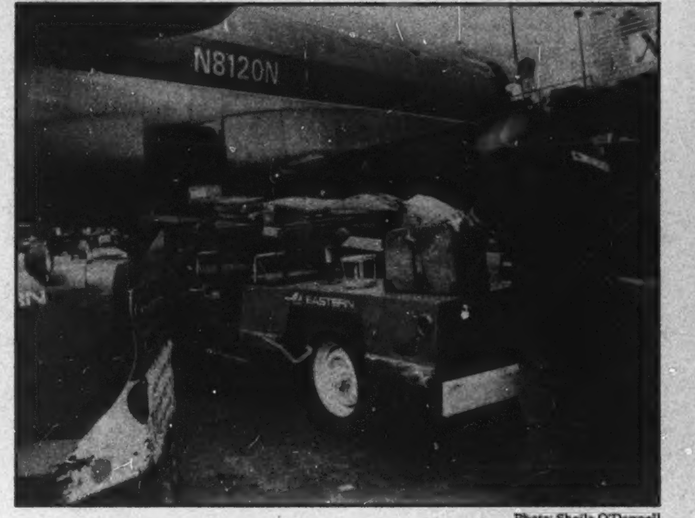

Photo: Sheila O'Donnell

Eastern Air Lines workers: Seeking control over investment of fund assets

Company contributes oil interest

Diamond Shamrock fund gets an $18 million royalty interest in Texas oil fields

By Kimberly Blanton

IRVING, Texas—Diamond Shamrock Corp. contributed an oil and gas royalty interest to its pension fund in lieu of cash, the company's 1982 annual report disclosed.

The contribution to the $145 million fund was valued at $18 million, and covers part of the energy concern's 1981 and 1982 contributions, according to documents filed with the Department of Labor and reported in the Federal Register. The contribution was made in March, 1982.

Diamond Shamrock's pension expense was $23.7 million in 1981, and $27.1 million in 1982, its annual report states. The company is guaranteeing a 20% annual return on the royalty.

The Texas firm joins a growing number of companies that have met part of their annual pension funding with assets other than cash. In most instances they have used their own stock; however, Lear Siegler Inc. recently contributed leases to its pension plan (*Pensions & Investment Age*, April 4).

For the Diamond Shamrock contribution, H.J. Gruy and Associates Inc., a petroleum consulting firm, valued the royalty interest for the company; Rotan Mosle Inc., Houston, an investment banking firm hired by Diamond Shamrock, approved the valuation as an independent fiduciary in behalf of the pension plan members.

A royalty interest's value is based on an estimate of the proven reserves in the fields, how much oil the wells can produce, and the market price of oil. Royalty interests usually represent between 10% and 25% of the income produced in the fields, explained Henry Goodwin, vice president, Merrill Lynch & Co., Houston.

Royalty interests are a relatively popular investment vehicle for pension funds investing in oil and gas.

The $18 million royalty interest in oil fields in Henderson County, Texas, constitutes about 12% of the roughly $145 million in assets of the four plans covering 12,000 employees that will receive the contribution. Because a royalty is not an employer security or property, it is not subject to the legal restriction that its value is less than 10% of the value of plan assets, according to Louis Campagna, Labor Department employee benefits plan specialist, who is handling the transaction exemption.

The company is seeking approval from the Labor Department. The process has been slowed, however, by objections that have been filed. However, a department official anticipates approval will be made ef-

Continued on page 36

Corporate funds profit from sales of stock contributions

By Kimberly Blanton

CHICAGO—The pension funds of Republic Steel Corp. and the Aluminum Co. of America profited from sales early this year of corporate stock contributed in lieu of cash.

A check of funds receiving contributions of stock revealed the Republic Steel and Alcoa funds sold their contributed shares through block sales; other corporate funds have handled their shares using various methods.

American Airlines's fund turned its shares over to four of its equity managers and the company registered the stock with the Securities and Exchange Commission. The Wheeling-Pittsburgh Corp. plan has not yet sold its stock contribution, and will not do so until the company dictates the sale.

A number of other pension funds recently have profited from sales of their contributed shares during the stock market surge. These include Eastman Kodak Co. (*Pensions & Investment Age*, Nov. 8) and United States Steel Corp. (*P&I Age*, Dec. 20).

Republic Steel's $1 billion pension plan made more than $1 million on its sale of 250,000 shares of Republic Steel cumulative convertible preferred stock. The sale amounted to half of the 500,000-share contribution, which was received Jan. 20, according to Dennis Hamilton, president of Republic's

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Financial services

Treasurers' 'wish list' on page 12

Subcommittee hearings

Senate warned new tax law will harm private pensions

By Joel Chernoff

WASHINGTON—The 1982 tax law would cause termination or curtailment of more than 900 of the 1,700 member plans of the South Florida Employee Benefits Council, a Senate subcommittee hearing was warned early this month.

Charles P. Sacher, the council's past president, testified that figures show the pension provisions contained in the Tax Equity and Fiscal Responsibility Act of 1982 would harm the private pension system.

He warned the impact of the law would be to cut benefits for workers and greatly reduce the amount of capital available for investment.

Meanwhile, Sen. John Chafee, R-R.I., chairman of the Senate Finance Subcommittee on Pensions, Savings and Investment Policy, asked several witnesses why retirement plans should provide loans to participants. His repeated questioning led observers to believe the senator would mount an attack against such provisions.

The 1,700 plans sponsored by council members cover 32,500 participants and collectively have $500 million in assets. They are mostly small plans that will fall subject to the tax law's so-called "top-heavy" provisions, which provide faster vesting, minimum benefit levels and other requirements on plans where key executives receive 60% or more of plan benefits (*Pensions & Investment Age*, Aug. 30, 1982).

In a letter to Sen. Bob Dole, R-Kan., Mr. Sacher said the "annual contributions to these plans will be reduced by more than $40,000,000 resulting in a reduction in funds" available for mortgage investments, stock purchases, corporate bonds and home construction.

In addition, he testified the burden would be shifted to the Social Security system in the long run.

If such a dramatic turn of events comes about, it could cause Congress to re-examine the private pension plans to see if they provide adequate pension coverage for workers.

Other than the South Florida council, no groups that testified before Sen. Chafee's subcommittee had similar numbers to show.

Sylvester J. Schieber, research director for the Employee Benefit Research Institute, a non-profit think tank on benefits, said that data would not be available until the end of the year at best.

Many speakers objected to the onerous requirements imposed by the law's new rules on "top-heavy" plans.

In particular, small-business representatives argued the provisions singled them out for no good reason. "The top-heavy rules stand out as a blatant, discriminatory attack on small businesses and their owners," said Stephen H. Paley, a member of the Small Business

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AT&T response to objections says asset allocation is fair

By Joel Chernoff

WASHINGTON—American Telephone & Telegraph Co. says the method used to allocate $45 billion in pension assets as part of the trust restructuring was picked to best protect the interests of employees.

The statement was made in a March 15 response to objections on the restructuring filed by the State of Maine and its Public Utilities Commission.

In its response, AT&T said Maine's proposed method, which would cause as much as an additional $2 billion in assets to be allocated to the pension funds of the new seven regional operating companies, would violate AT&T's fiduciary responsibility.

The telecommunications giant also rebutted claims by the Communications Workers of America, which represents 500,000 AT&T workers, that the restructuring of the fund must be subject to collective bargaining.

AT&T wrote, "such a claim is not supported by the case law, nor by the prior conduct of the parties."

The restructuring of the trust is spelled out in AT&T's reorganization plan, which was adopted to settle an antitrust battle with the Justice Department (*Pensions & Investment Age*, Dec. 20).

The trust holds assets from two pension plans, one for management and one for hourly workers. Under the reorganization proposal, the pension plans would be spun off into 18 plans—one management and one hourly plan each for AT&T, the seven regional operating companies and a central services organization.

The last would be owned jointly by the regional companies and would provide them network planning, computer software development and other functions. However, it is not yet decided whether there will be a separate pension trust for the subsidiary.

AT&T's savings plans for management and hourly employees would be broken up on a similar

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International issue

Pensions & Investment Age has mailed out questionnaires for its annual directory of international investment advisers.

The survey, appearing May 30, details statistical and general information for each firm, including total and tax-exempt assets under management, number of U.S. tax-exempt clients, asset mix, investment philosophy and client contact.

The International Investment Adviser Directory Issue is used by many pension funds as a starting point in their search for international managers, and also is a source for industry statistics.

Any international firm that wishes to be included in the directory but has not received a questionnaire should contact *P&I Age* editor **Mike Clowes**, at (212) 210-0121.

Deadline: April 25, 1983

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Vol. 11, No. 8—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Late news

Continued from page 1

ment board for $34.5 million from the county employees' retirement system in an attempt to bail themselves out of a budget deficit by using the so-called "surplus" funds. No immediate response was available from the retirement system.

The county also has settled out of court its suit against the Wall Street firm of Donaldson, Lufkin & Jenrette Inc. The suit the county filed last year claimed the securities firm had made unauthorized transactions; the firm countersued, contending the transactions had been authorized.

Under the settlement, Los Angeles County will reimburse Donaldson, Lufkin & Jenrette $11.2 million of $13.5 million the county had drawn on a credit line provided by the brokerage firm.

Peoples Energy hires

CHICAGO—Peoples Energy Corp. has reallocated the equity portion of its $270 million pension plan after a change in its performance goals and objectives, according to Donald G. Holm, vice president, treasurer and secretary. The fund is split evenly between equities and fixed income.

Peoples Energy named Atalanta Capital Corp., Stein Roe & Farnham and Wall, Patterson, McGrew & Hamilton Inc. as new equity managers, with roughly $30 million allocated to each. Mathers & Co. Inc. was the only equity manager retained.

Value Line changes

NEW YORK—Dorothy Berry, president of Arnold Bernhard & Co. and Value Line Inc., will be leaving the firm at the end of April, sources said.

According to a Value Line preliminary prospectus, Arnold Bernhard, chairman of both companies and president until December 1979 when Ms. Berry took over, will resume the duties of president May 1.

NYC plan starts fund

NEW YORK—New York City's $7 billion Teachers Retirement System appointed Metropolitan Life Insurance Co. in March to run a newly formed variable B fund, according to Wally Sullivan, executive director. On July 1, Metropolitan Life will offer a guaranteed investment contract paying a minimum 11¼% rate of return for one year, said Claude Lamoureux, vice president-group pensions.

Specialist exits Freres

NEW YORK—Hakan Castegren, a foreign securities specialist at Lazard Freres & Co., has left to join Grantham, Mayo, Van Otterloo & Co., Boston, a spokesman confirmed. Mr. Castegren provided international portfolio management for Lazard Freres' $1.8 billion tax-exempt assets. No replacement was named.

Ryan to leave DOL

WASHINGTON—T. Timothy Ryan Jr. will leave his post as solicitor of labor May 1, reportedly to return to the law firm of Pierson, Ball & Dowd. Mr. Ryan has been the Labor Department's top lawyer for the past two years.

Separately, the department is reviewing whether to bring suit against 22 Southern California construction union pension funds that bought $158 million in commercial and home mortgages for projects on which union members have worked (*Pensions & Investment Age*, Nov. 22).

In addition, the Labor Department has sued trustees of the Northern New England Carpenters Fund for making loans at below-market interest rates that helped employers affiliated with the plan.

New international fund

TACOMA, Wash.—Frank Russell Trust Co. has named Baring International Investment Ltd., London, Daiwa International Capital Management Corp., and Nomura Investment Management Inc. to run a new international investment fund focusing on the Pacific rim. The International II Fund, which became operational April 1 with $15 million, was constructed at the request of Boeing Corp., the first client.

Bankers units merge

NEW YORK—Bankers Trust Co. has merged its research and equity portfolio managers in the investment management group into one team, according to H. Kent Atkins, senior vice president.

The move is effective immediately and marks the first step toward implementing the previously announced reorganization of Bankers' trust department into two distinct areas—one for the administration of employee benefit funds and another for the investment management of those funds, (*Pensions & Investment Age*, Jan. 24).

Mr. Atkins denied the move was a defensive reaction to the departure of John Schroder, senior vice chairman and chairman of the investment committee, to E.W. Axe & Co.

Mr. Schroeder joins E.W. Axe this month as chairman of the board and chief executive officer.

Contract law imposed

Pensions aren't gifts, Minnesota court rules

By Linda Savage Ruhe

MINNEAPOLIS—Public pensions are protectable entitlements that cannot be taken from employees, according to a Minnesota Supreme Court ruling.

The court held pensions no longer are gifts from the state and cannot be withdrawn, although they are subject to reasonable legislative modification.

Many Minnesota attorneys have labeled this a landmark decision that could have an impact on public as well as private pension systems across the country, according to Daniel W. Lass, Minneapolis Employees Retirement Fund assistant executive director and legal counsel. The court ruling, however, is binding only on Minnesota public plans.

The decision makes it more difficult for the Legislature to make changes in the pension laws, according to Mr. Lass. However, it does leave the Legislature with the right to make reasonable changes within the law, including those that would retain the fiscal integrity of

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Fixed-income rises

Recession pushes unions into conservative investing

By Nancy Webman

DALLAS—Taft-Hartley pension funds are being hit squarely in the pocketbook by the recession-created unemployment plaguing several industries.

And in response, union funds are moving toward more conservative pension fund investments—at a time when other funds are moving more into equities to take advantage of the recent market surge.

Unemployment is the culprit, according to Ed Burke, a consultant with A.G. Becker Inc. The lower number of union workers on the payroll has caused contributions to decrease without a corresponding decrease in benefit payments.

Mr. Burke, who specializes in working with public and union pension funds, said the latter have become more invested in fixed-income and short-term vehicles as contributions have declined.

"They ran scared; they wanted to stay more liquid," Mr. Burke said. "They're more scared, and they think equities are risky, yet they're still doing well in equities. They've just gotten more conservative."

He cited Becker statistics on the percentage of union pension assets invested in equities. Six years ago, he said, 43.2% of the assets were allocated to equities. As of Dec. 31, 1982, that number had dropped to 34.3%.

The reduction in equity exposure is significant because it came at a time when the stock market was soaring to new highs. And it was not an indication of how equity portfolios in union pension funds had performed because, for the past five years, union equity portfolios consistently outperformed the Standard & Poor's 500 stock index, Mr. Burke said. In 1982, for example, the portfolios beat the S&P 500 by almost four percentage points, he said.

Randy Barber, a union pension consultant, agreed with Mr. Burke's assessment.

"These funds depend upon levels of employment. To the extent that employment goes down, these funds are in worse shape," he said.

But Mr. Barber said he believes most Taft-Hartley funds will not have to alter their investment approach significantly because the reduced contributions are a "blip, not a permanent problem."

"We're looking at a cyclical, not a secular, decline, and pension funds are looking down the road at a 20- or 30-year funding period," he explained.

Several other consultants as well as union pension officers and investment managers concurred. "Liabilities are not significantly altered," said Sandy Lincoln of A.S. Hansen Inc.. "There has been reduced employment in industry groups and reduced contributions. But, simultaneously, there has been

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Advisers bullish on bull market

Counselors say it's here to stay

By Pavan Sehgal

NEW YORK—Investment advisers at brokerage firms are steadfast in their belief that the bull market is here to stay.

And hibernating bears ought to be in for a long sleep if the theories of portfolio strategists at the investment houses prove right.

The bullish sentiments:

- We are in, maybe, a two- to three-year bull market, according to Suresh L. Bhirud, vice president and portfolio strategist at The First Boston Corp. "Within that time frame, stocks could go as high as 2,000 on the Dow Jones Industrial Average," he said.
- The current bull market is very similar to those of 1971 and 1975, said Hugh A. Johnson Jr., head of the investment policy committee at the First Albany Corp. "The market will correct modestly, just as it did in the summer of 1971 and just as it did in the summer of 1975," he added. He expects the market has an additional 17% to 20% appreciation to go, lasting well into 1984.
- The long-term outlook for the financial assets market is quite positive, according to Alan D. Schwartz, general partner and director of research at Bear Stearns & Co. "That's a function of my belief that a deregulated interest rate market will maintain a degree of discipline over monetrary policy," he explained. "Emanating from that will be a trend of continued moderate inflation, declining interest rates, and an improving or more stable economic growth environment."

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'Thinking small' costs more in investment adviser fees

By Kimberly Blanton

CHICAGO—Smaller investment counseling firms charge twice as much in management fees as their larger bank and trust company counterparts.

And those fees may be increasing: Consultants assert the bull financial markets have laid the groundwork for fee hikes, a trend emerging among a few of the firms surveyed.

According to a survey by A.G. Becker Paribas Inc.'s Funds Evaluation Division, the median fees range from 23 basis points for large banks to 63 basis points for small investment counseling firms for equity management; from 23 points to 62 points for balanced management; and from 21 points to 45 points for fixed-income management for account sizes ranging from $10 million to $50 million. Client and manager often negotiate fees when the account size crosses the $50 million mark.

A.G. Becker compiles these figures and others semi-annually from surveys of more than 100 investment counselors and banks. In the survey of fees at the end of 1982, managers are divided into four categories: small investment counseling firms managing less than $1 billion; large counseling firms managing more than $1 billion; small banks and trust companies managing less than $3 billion; and large banks and trust companies. (*See table at right*).

The sharpest contrast between the median fees of large banks and small managers occurs in equity management.

The median fee for the management of a $25 million account at a small investment counseling firm is 54 basis points, or 0.54% of the dollar size of the account, compared with 0.26% at a large bank or trust company. This translates to a $70,000 difference on a $25 million account.

The median small bank or trust company managing the same account charges 0.33%, and a large investment counselor charges 0.50%.

All firms' fees for balanced management, in which the manager decides the portion of a client's assets to invest in equities, cash and bonds, closely match their straight equity fees in all account sizes and all quartiles.

Fees for fixed-income investments consistently are lower than equity fees among all firms, account sizes and quartiles. Consultants suggested that, unlike equity management, investment firms purchase much of their interest-rate and bond research from Wall Street firms, and base investment judgment on it.

However, the difference between fixed-income and equity fees is greater among counselors than banks.

The median fee for managing a $50 million fixed-income account is 0.21% at a large bank, compared with 0.23% for a $50 million equity account there. At a large investment firm, a $50 million fixed-income account fee is 0.30%, compared with 0.43% for a stock account.

"There has been a decided trend toward higher fees, if you look at the new investment counseling firms," explained Sandy Lincoln, director of investment services at A.S. Hansen Inc., Chicago.

However, most consultants assert the returns the different firms produce do not explain the wide variation in fees.

"The product being sold is an intangible investment product," explained Roger Smith, executive vice president, Greenwich Research Associates Inc.

Mr. Smith suggested investment counselors typically charge higher fees because they "front stronger investment professionals" to potential clients. "It's just a perceptual difference rather than a real difference."

"I don't believe there's a correlation between return and fees," concurred Paul Berg of Berg Fiduciary Consultants Inc., New York.

He suggested pressure from the commercial loan side of banking has kept those fees from rising to equal counselors' fees. A bank's investment division meets "resistance when the commercial side gets a complaint (from a corporate client) about fees being raised," Mr. Berg explained.

"The trust department is viewed as an ancillary to the main business of the bank," he added. "That's another reason banks will negotiate fees when it comes to large (accounts)."

Consultants predict, however, that the fee difference between banks and counselors might narrow. "Banks have been slower to raise their fees, but they have been raising fees," Mr. Smith said.

And Mr. Berg predicts more will do so. "Banks again are talking about spinning out their investment departments, with a separate and distinct name," which brings higher fees, he said.

BA Investment Management Corp., which broke away from the Bank of America, has higher fees than AmeriTrust Co., Detroit Bank and Trust, and First National Bank of Atlanta, according to data collected by *Pensions and Investment Age*. BAIMCO's fees are 50 basis points on the first $20 million; 40 points on the next $10 million; 30 points on the next $10 million; and 25 points on the remainder.

AmeriTrust's fees are lower: 75 basis points on the first $2 million; 50 points on the next $8 million; 30 points on the next $15 million; 25 points on the next $75 million; and 20 points on the rest. Detroit Bank and Trust and First of Atlanta simi-

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Most consultants assert the returns the different firms produce do not explain the wide variation in fees

Investment management fees

(in basis points)*

Large counselors

(more than $1 billion under management)

	BALANCED Fund size ($ millions)			EQUITY Fund size ($ millions)			FIXED Fund size ($ millions)		
	$10	$25	$50	$10	$25	$50	$10	$25	$50
Highest	100	100	90	100	100	90	50	50	44
25th quartile	75	61	54	75	60	53	45	38	34
Median	58	50	43	58	50	43	38	34	30
75th quartile	49	40	35	50	41	36	30	26	24
Lowest	41	30	23	41	30	23	20	19	17

Small counselors

(less than $1 billion)

	BALANCED $10	BALANCED $25	BALANCED $50	EQUITY $10	EQUITY $25	EQUITY $50	FIXED $10	FIXED $25	FIXED $50
Highest	100	95	85	100	95	85	55	52	51
25th quartile	75	60	55	75	64	56	50	44	41
Median	62	52	42	63	54	43	45	36	32
75th quartile	54	43	34	55	44	36	28	27	22
Lowest	45	33	23	45	33	23	23	19	15

Large banks and trust companies

(more than $3 billion)

	BALANCED $10	BALANCED $25	BALANCED $50	EQUITY $10	EQUITY $25	EQUITY $50	FIXED $10	FIXED $25	FIXED $50
Highest	60	52	46	60	52	46	44	35	34
25th quartile	50	46	38	50	46	38	36	27	25
Median	37	26	23	37	26	23	34	25	21
75th quartile	32	22	17	32	22	17	29	22	17
Lowest	25	18	14	25	18	14	25	18	14

Small banks and trust companies

(less than $3 billion)

	BALANCED $10	BALANCED $25	BALANCED $50	EQUITY $10	EQUITY $25	EQUITY $50	FIXED $10	FIXED $25	FIXED $50
Highest	65	65	65	65	65	65	53	42	41
25th quartile	50	40	35	50	42	35	43	34	30
Median	43	33	28	43	33	28	36	29	24
75th quartile	34	27	22	34	27	22	31	25	21
Lowest	22	17	10	22	17	10	22	17	10

Source: A.G. Becker Paribas Inc.'s Funds Evaluation Division

*100 basis points equal one percentage point.

Striking out with 'winners'

Sporting look shows some analysis not even in the ballpark

By Steve Leuthold

SECURITY analysts, economists and pension officers seem to have an intrinsic fascination with comparative ratios and performance measures of all kinds. And certainly the era of the computer has facilitated the generation of these measures.

The Leuthold Group's initial analysis of productivity several years ago enmeshed us in a virtual maze of industry-by-industry and company-by-company productivity (efficiency) comparisons. Many now view quantitative measures as the key to intelligent future judgment.

In the business of investing, the ultimate objective of all this statistical grinding is picking the right stocks. Now, to demonstrate the fallibility of some operating ratio and performance analysis, let us construct some comparisons with the great American pastime—baseball.

Data used in the calculations have been provided by Marvin Miller's Major League Baseball Player's Association and "Sporting News."

One way to isolate winning stocks in our business is to find the most efficient producers: Who gets the most output out of the least input. By that measure, here is how the major-league baseball teams rank, top and bottom quartile. The 1982 team salary levels are compared with 1982 output, calculating first the cost per run scored. Quartile designations in the tables are not entirely precise because the seven teams represent 26.9% of the total number of teams.

Clearly by this productivity measure, the Minnesota Twins was the best in both leagues, and the St. Louis Cardinals among the worst. Unfortunately, this measure has little to do with picking winners.

While most readers can quote today's Treasury bill rate, understandably, some might not be baseball fans. Therefore, it should be noted the Cardinals won the World Series in 1982, the California Angels won their division and the Twins had the worst record in baseball.

Sad to say then, this particular measure of comparative productivity is of little or no value in picking "winners," but does demonstrate anything can be proved with statistics.

Perhaps a more realistic measure of output is games won, not runs scored. Games won better reflects the pitching productivity factor in terms of measured output. Thus, in the following table, we calculate the cost per win ratio, with output measured in wins not runs. Thus, this might be viewed as a total factor productivity measure.

By this measure, Minnesota again has the best total productivity record, but unfortunately ended the 1982 season tied for last in its division. (However, Atlanta, also in the top quartile did actually finish first in the National League West.)

The two New York teams finished in the bottom quartile by this measure of relative productivity, but this can be explained by the horrid operating environment. After all, even the new West Side Highway—nicknamed WasteWay—will cost $2 billion or more per mile.

It was, however, surprising to find two Sun Belt teams, Houston and the California Angels, in the bottom quartile. After all, the Sun Belt environment is almost universally viewed as a significant positive productivity factor.

So far, this quantitative analysis has been an exercise in futility, at least in terms of picking winners. Unfortunately, our baseball experience mirrors the quantitative evaluation experience of many in picking winning stocks and picking winning managers based on past statistical analysis.

Are we on the wrong track? Perhaps output should not be measured in wins or runs, but in terms of how many tickets are sold. That's it. Baseball is not a game, it is a business.

The end product is tickets sold, not wins or runs. However, it is acknowledged wins and runs do at times have some effect on ticket sales.

Here, then, is our breakthrough analysis—the FIS ratio or the 1981 payroll cost per ticket sold in 1982. For those unfamiliar with the technical terminology used in the baseball business, FIS is an acronym for fannies in seats.

Even this calculation has some analytical limitations in that no adjustment is made for individual team variances in concession revenues, television contracts or the varying ticket price scales. Note also that the most recent team payroll statistics are for 1981 while attendance and won/lost statistics are for 1982.

True, measured in this way, none of the six best teams managed to win a divisional championship, but that is not the point. Wouldn't you have liked to own a piece of the Dodgers or Twins? Even the Blue Jays and the Padres were big scorers, although neither team managed to win more games than lost. Bottom line is the name of the game!

This report has been prepared from original sources and data we believe reliable, but we make no representations as to its accuracy or completeness.

The Leuthold Group, its affiliates and subsidiaries and/or their officers and employees might, from time to time, hold wagering positions relating to the teams mentioned herein.

However, even on request, we will not furnish specific information in this regard.

In the future, The Leuthold Group might act as principal for its own account or perhaps if the investment business gets tough enough, we could even act as agent.

As a footnote, the average salary of major-league baseball players in 1982 was more than $241,000, up 30% from the year before, up 68% from 1980 and 113% from 1979. The

Continued on next page

Steve Leuthold is chairman of The Leuthold Group, Minneapolis, which is associated with Lynch, Jones and Ryan, New York.

Cost Per Run Ratio

Top Quartile

Team	Cost
Minnesota Twins	$2,800
Toronto Blue Jays	4,900
Seattle Mariners	5,300
San Diego Padres	5,700
Detroit Tigers	6,700
Atlanta Braves	7,400
San Francisco Giants	8,000

Bottom Quartile

Team	Cost
Pittsburgh Pirates	$10,100
Montreal Expos	11,600
New York Mets	12,100
Houston Astros	15,100
Philadelphia Phillies	15,300
California Angels	15,600
New York Yankees	17,800

Cost Per W[illegible]

Top Qua[illegible]

Team	Cost
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

Bottom Quartile

Team	Cost
Milwaukee Braves	$94,000
Oakland A's	102,000
Houston Astros	111,000
New York Mets	113,000
Philadelphia Phillies	114,000
California Angels	137,000
New York Yankees	156,000

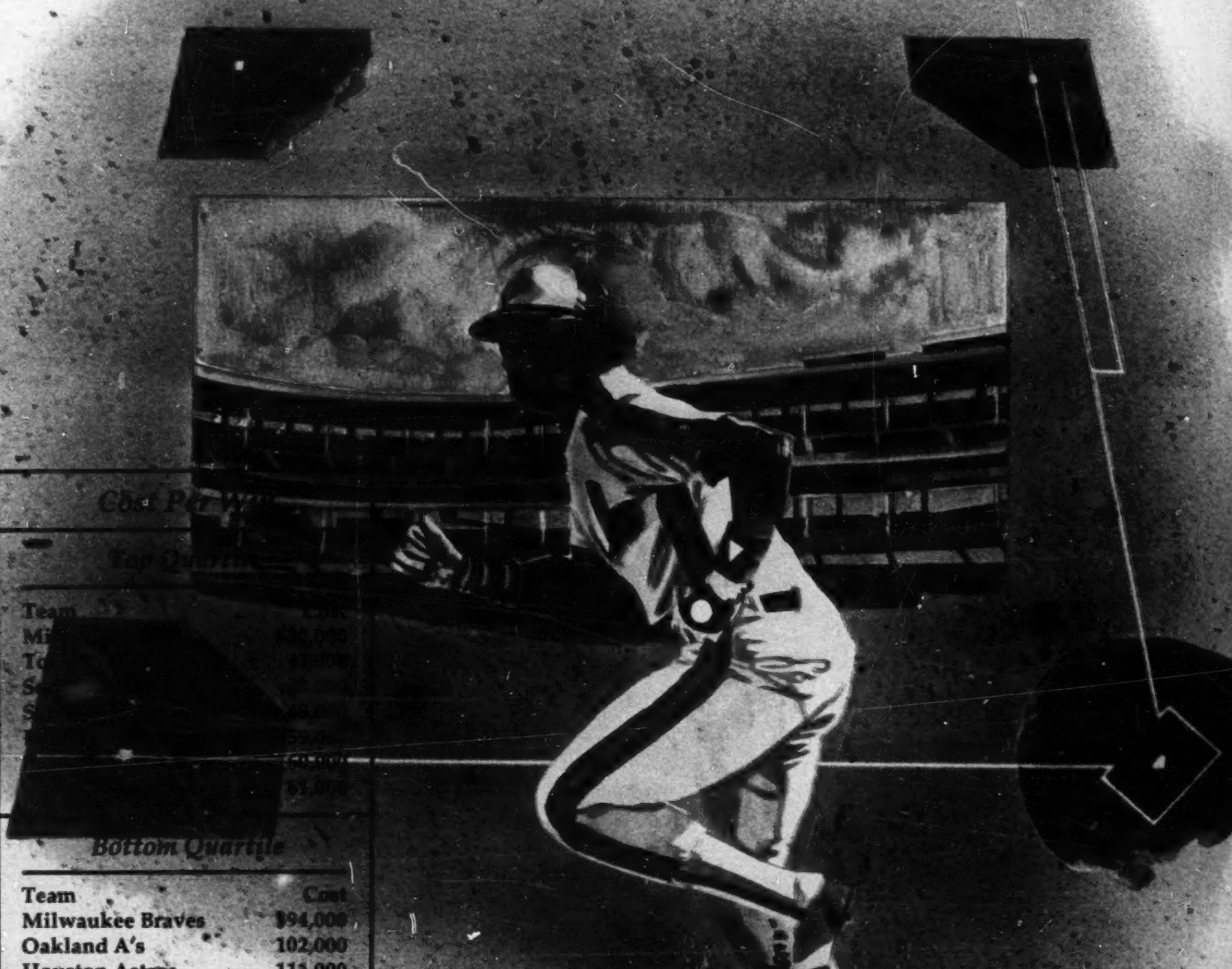

Illustration: Cliff Hayes

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Features

Shaking up a cornerstone?

Study raises questions on price-earnings ratio importance

By Alice C. Avanian and Rolf E. Wubbels

"Nil Credam et Omnia Cavebo"

THE LATIN proverb, meaning 'believe nothing and be on guard against everything,' might be a good credo for portfolio managers.

The results of a recent study we conducted raise serious doubts about one of the oldest and most basic beliefs of many on Wall Street—the importance of price-earnings ratios.

After six months of trying to prove there is a positive correlation between a company's earnings growth rate and its stock price-earnings ratio, it came as a surprise to us that the research didn't support the thesis.

For more than half a century, the keystone of fundamental security analysis has been that the price-earnings ratio both current and projected is a major determinant of stock prices.

Price-earnings ratios became a matter of broad professional and public interest when John J. Raskob was interviewed for an article titled "Everybody Ought To Be Rich," which appeared in the August 1929 edition of the "Ladies Home Journal."

Mr. Raskob was one of the nation's leading financiers in the 1920s and 1930s. He also was a director and chairman of the finance committee of General Motors Corp.; the person who conceived of and primarily financed the Empire State Building; and was prominent in political, church and charitable affairs.

In the interview, he stated a 15 price-earnings ratio was reasonable. His statement had an immediate effect on the market.

The academic community began to apply price-earnings ratios and present value analysis to stock prices.

Benjamin Graham, the generally acknowledged father of modern security analysis, stressed the significance of price-earnings ratios in the first edition of his text "Security Analysis," published in 1934 and in the numerous revisions that have appeared since.

Price-earnings ratios have been the focal point for virtually all efforts to evaluate securities.

It is difficult to picture a brokerage office where the sales staff is not interested in the research department's earning forecast or without a current copy of Standard & Poor's Earnings Forecasts. Each user utilizes his own assumed multiple to arrive at the projected stock price.

The price-earnings ratio might be considered the relative price paid for a stock. Prices paid for all stocks are the function of a myriad of factors, including market psychology and investors' perceptions of particular industry groups.

The assumption was made that the major factor establishing these relative price-earnings ratios are the company's perceived growth rate, which will be reflected in both earnings and dividends and whether the industry and company is in or out of favor with investors.

The study was very comprehensive in its attempt to prove that price-earnings ratios are highly correlated to the respective growth rate.

The methods used were traditional to Wall Street: quarterly data for stock prices and earnings reports, three-year average historic earnings growth and "prospective" earnings, (looking forward four quarters). The data was adjusted relative to the S&P 500 stock index, which is also common practice. Previous studies that attempted to show a relationship between price-earnings ratios and earnings growth used only year-end data or a limited number of companies.

The other technique used, which would differentiate the results from other studies, was the extensive use of screens through a customized computer program. After calculating the necessary growth rates, the program screened out companies that had negative growth. This was intended to reduce distortions from companies with temporarily high price-earnings ratios because of earnings disappointments. Companies with great "surprises" in earnings also were screened out.

The criteria for growth was 20% above the most recent average. This was done for two reasons. First, to remove the possibility of wide fluctuations in earnings that, if not totally and immediately reflected to the stock's price-earnings ratios, would distort the findings. Second, prospective earnings were used as a proxy for analysts' estimates, and growth that was well above average would strain the credibility of this substitute.

Both rank evaluations and regression analysis were employed using the quarterly Compustat Tape, and computations were run for 26 different quarters and for more than 2,000 companies. These included all listed stocks and all National Association of Securities Dealers Automated Quotations listed stocks. The screening procedure resulted in the exclusion of roughly half the available companies, with the main culprit being the requirement for no missing data.

This careful procedure resulted in proof of no significant relationship between the price-earnings ratio and the growth rates, both historic and future. In other words, a stock's current price-earnings ratio bears no relationship to either the company's recent or expected growth rate. Adjusting to the S&P 500 also proved inconsequential. As this defied the common-sense rules on Wall Street, a search was undertaken for the exceptions that would explain the rule.

First, it was assumed that too many companies' data were being aggregated. Despite the requirement for positive growth, a great disparity remained among the companies and the industries being considered. Also, using the entire Compustat file resulted in the inclusion of primary, secondary and tertiary companies. Much publicity has been given recently to the "inefficiency" of secondary and tertiary stocks, because of a lack of extensive research coverage on these stocks.

In order to factor out these problems of great agglomeration of data and market inefficiencies, statistical measures were run on smaller groups of stocks. Using Compustat's standard industry codes, the drug industry and the electronic computing group were tested.

Both groups are followed widely on Wall Street and can be considered relatively efficient. In addition, these are traditionally thought of as growth stocks and therefore should show the expected positive relationship between earnings growth and the price-earnings ratios.

Again, however, the results proved to be statistically insignificant.

This leads to the conclusion that, despite the original thesis and despite common usage on Wall Street, earnings growth rates are insufficient as a predictor of price-earnings ratios.

A possible explanation could be accounting differences, which result in differing perceptions of earnings and management and might affect stocks' price-earnings ratios multiples. Different investor attitudes toward industry groups also might have an effect. Possibly, Wall Street's use of growth rates might involve different definitions from the ones we used. In addition, recent articles have suggested the efficacy of correlating stock prices with cash flows and liquidity, rather than with "inflation-distorted earnings figures."

The efficacy of these factors (separate or combined) remains unknown. We must conclude, however, that our study has shown no significant relationship between stock price-earnings ratios and earnings per share growth (either historic averages or prospective 12-month figures). Despite the different methodologies used, this result agrees with previous studies done. Therefore, we conclude that earnings figures are an insufficient indicator of a stock's actual or expected price at any one point in time. ■

Alice C. Avanian, is vice president L.F. Rothschild, Unterberg Towbin, N.Y., and Rolf E. Wubbels is professor of finance at New York University.

Peter Manera, a research assistant at the Graduate School of Business, New York University, wrote the customized computer study used in this study.

Sporting look finds analysis striking out . . .

The "FIS" Ratio

	1982 Team Payroll	1982 Attendance (in millions)	The FIS Ratio (Payroll dollars per ticket sold)	1982 Win-Loss Rank
LA Dodgers	$5,840,964	3.61	1.62	9
Minnesota Twins	1,818,045	.92	1.98	26
San Diego Padres	3,862,488	1.61	2.40	15
Toronto Blue Jays	3,196,500	1.28	2.49	17
St. Louis Cardinals	5,938,325	2.11	2.81	4
Detroit Tigers	4,875,752	1.64	2.97	14
Atlanta Braves	5,446,792	1.80	3.03	8
Kansas City Royals	7,226,548	2.32	3.11	5
Seattle Mariners	3,432,150	1.07	3.21	20
Boston Red Sox	6,435,338	1.93	3.33	6
Montreal Expos	8,078,184	2.32	3.48	12
Baltimore Orioles	6,306,508	1.61	3.92	2
Oakland A's	6,924,710	1.74	3.98	22
Cincinnati Reds	5,291,832	1.33	3.98	25
Philadelphia Phillies	10,149,620	2.38	4.26	7
Chicago White Sox	6,687,171	1.57	4.26	11
Texas Rangers	5,033,448	1.15	4.38	24
Chicago Cubs	5,516,550	1.25	4.41	21
San Francisco Giants	5,357,826	1.20	4.46	10
Milwaukee Brewers	8,936,055	1.98	4.51	1
California Angels	12,702,090	2.81	4.52	3
Houston Astros	8,583,820	1.56	5.50	19
New York Mets	7,379,092	1.32	5.59	23
Cleveland Indians	5,832,000	1.04	5.61	18
New York Yankees	12,359,640	2.02	6.12	16
Pittsburgh Pirates	7,285,786	1.03	7.07	13

Continued from preceding page

31 players with 14 or more years in the big time averaged $500,000.

First basemen lead the position salary parade with the 20 first basemen playing in 100 or more games averaging $461,000. Based on this, maybe it's time for a portfolio manager-security analyst and pension officer union, one big "Investment Decision Makers Union."

Diverging interests some might say, but in union there is strength.

The Major League Baseball Player's Association supports sky-high salary levels by citing the relatively short employment term of athletes.

However, compared with the typical employment term of portfolio managers, security analysts and pension officers, athletes have the relative job security and longevity of civil service workers.

The ballplayers also have great additional benefits for career-ending disabilities. How about some bear market disability insurance for us? Spring training seminars in the Caribbean? Clothing and food allowances? Now, we even have to buy our own three-piece playing uniforms. Finally, all efficient market types and followers of Modern Portfolio Theory must be purged from our profession, blackballed as "scabs." Marvin Miller, where are you?

One final note of caution. A truly skilled collective bargaining leader is essential for any Investment Decision Makers Union that might be formed.

A strike must be avoided at all costs.

Our employers must never be allowed the opportunity to realize our real value in this whole investment ball game. ■

'Thinking small' costs . . .

Continued from page 3

larly have lower fee schedules than BAIMCO.

A comparison of A.G. Becker's June and December data show that since June, individual firms have raised the break-off point, which effectively raises fees, according to Dave O'Donovan, vice president and manager of A.G. Becker's manager search group. He stressed, however, these firms' fee hikes have not had a major impact on overall data.

And several consultants predicted managers' fine performance in last year's bull markets will spur fee hikes.

"People are not sensitive to fees when you're making a lot of money for them. I think you're going to see a lot of fees raised in the next six months to a year," Mr. Berg predicted. Raising the break-off point "is a very subtle way of building in a higher fee," he said.

Aside from the variation between bank and counseling firm, there are differences within the groups. In balanced and equity management, the largest and smallest counseling firms charge similar fees on a $50 million account, but smaller firms' fees rise more sharply as account size falls.

For the large counselors affiliated with mutual funds, the cost of their research is often covered by investment management for the firms' mutual fund, Mr. Berg said.

"Alliance Capital (Management Corp.) or Lehman (Management Co. Inc.) or Scudder (Stevens & Clark) can go after large public funds at 20 basis points because there's no incremental cost to them," Mr. Berg explained. Management fees they receive are "incremental income, frosting on the cake."

Small counselors, with small staffs, might be required to bring on another portfolio manager to handle a new account.

Median balanced and equity management fees for small and large banks do not converge; the smallest banks' fees are highest in all account sizes. Median equity fees among large banks are 0.37% for a $10 million account, 0.26% for a $25 million account and 0.23% for a $50 million account, against 0.43%, 0.33% and 0.28%, respectively, at small banks.

Mr. O'Donovan suggested large banks might charge lower fees for all account sizes because the large in-house research staff is used by many groups in the bank.

A firm's management style also affects its fee schedule. Mr. Berg stressed a distinction between core-index-fund or large-stock managers and "aggressive, very active managers."

"There's more sensitivity to fee schedules in the passive area in the perception of the plan sponsor," he explained.

This is apparent in a comparison of fees charge by American National Bank and Trust Co. of Chicago, where index funds constitute the bulk of the $4 billion under management, and Forstmann-Leff Associates Inc., known in the industry as an aggressive market timer.

Forstmann-Leff charges 100 basis points on the first $5 million, and 50 basis points on the remainder, according to *P&I Age* data. American National's fees drop sharply as the account grows: 50 basis points on the first $500,000, 20 basis points on the next $4.5 million, 10 basis points on the next $20 million, and it continues to fall.

Most consultants interviewed cast doubt on the importance of fees in choosing an investment manager. "Generally they are not very important, and if they do become important, firms will usually negotiate," explained Caroline Cummings, director of investment-management research for Meidinger Asset Planning Inc., echoing other consultants' views.

"If you have to go for major surgery, do you hire the (surgeon) that is cheapest," asked Mr. Smith of Greenwich Research. No, he said, "you go for the value."

Fees might be more important to government and unionized plans and corporate plans that pay them as an administrative expense instead of with investment assets.

"I personally don't think it is (important), but if somebody has to justify it on their budget that may be," said Mr. O'Donovan.

"Public funds are more sensitive," said Mr. Smith. "The fees are paid out of the operating budget, and it's subject to political opposition."

For the union plan, fees are a negotiating point in contract talks between labor and management, Mr. Berg asserted. ■

TCW directors open new firm

LOS ANGELES—Two managing directors of Trust Co. of the West, developers of a "liquidity index," have decided to open their own fixed-income investment counseling firm.

The two, Paul E. Anhalt and Michael F. O'Connell, also have been economic consultants to TCW since 1975.

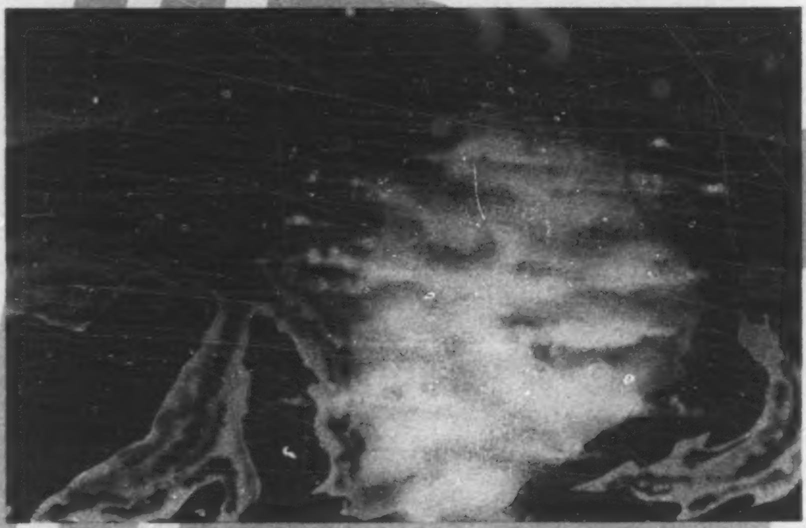
When their contract with TCW was about to expire, they decided against merging with the trust firm and instead chose to go on their own, Mr. Anhalt said.

They will open a Los Angeles office in July.

Mr. Anhalt said the separation is "very amicable" and that TCW will help him and his partner keep clients for whom they had been managing fixed-income accounts utilizing the liquidity index. The liquidity cycle index is a system for forcasting secular and cyclical changes in interest rates.

Mr. Anhalt was one of the founders of TCW, but later sold his stock.

In 1975, he ended some of his relationships with TCW, but stayed, with his partner, as economic consultant to TCW. About 1981, they became portfolio managers using the liquidity index there. ■



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Pensions &
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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • May 2, 1983

Cyclops suit claims misuse of fund assets

By Kimberly Blanton

PITTSBURGH—Cyclops Corp. has sued Texas businessman Harold C. Simmons, charging he is illegally using the pension funds of companies he controls to take control of Cyclops.

The suit claims Mr. Simmons broke securities law by failing to disclose what it claims are violations of the Employee Retirement Income Security Act in his alleged attempt to control Cyclops with several companies' pension plan assets for which he is trustee.

Mr. Simmons is either sole trustee or has sole power to invest the plan assets of the eight pension funds that are also named in the suit: the Keystone Consolidated Industries Inc. master pension and deferred incentive trusts; the Amalgamated Sugar Co. salaried and union employees' funds; the Gibson Products Co. profit-sharing plan; the T.I.M.E.-DC Inc. plan; and the Contran Corp. pension and profit-sharing plans. Accord-

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Late news

Stock is contributed

BETHESDA, Md.—Martin Marietta Corp. announced it will make its third issue of stock to be placed in its pension fund in lieu of part of its 1983 contribution. The registration of 600,000 shares of common stock totals about $31.4 million at the stock's market price of about $52 per share.

This contribution brings the fund's holding in its employer's stock to $75.6 million, about 9% of the fund's assets, the company stated.

The firm made past contributions of 450,000 shares of common valued at $19.2 million in January for plan year 1983, and $25 million of preferred stock in December for the 1982 plan year.

The firm's 1982 pension expense was $77 million.

On Sept. 30, 1982, the Martin Marietta plan had $925 million in assets, according to *Pensions & Investment Age's* annual survey of pension funds.

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Burroughs' lease-back

Firm sells 4 plants to own plan

By Kimberly Blanton

DETROIT—Burroughs Corp. has sold four light manufacturing facilities valued at about $30 million to its pension fund and is leasing them back for its own use.

The sale and lease-back enabled Burroughs to raise cash while retaining the use of the facilities, according to Leon J. Level, vice president and treasurer.

At the same time, he said, the pension fund has made a sound investment, a primary consideration in designing the transactions. The transactions took place in 1981 and 1982.

The $30 million investment is roughly 6.4% of Burroughs' $470 million domestic pension plan and constitutes more than half of its real estate holdings. Burroughs hired Coldwell Banker Management Corp. to value the property on behalf of its pension plan members, Mr. Level said.

The purchase of the corporation's facilities marks the fund's first large, direct real estate investment. Previously, the Burroughs plan had real estate investments primarily in pooled funds. However, direct real estate investments have been an increasingly popular investment among many larger pension funds.

Burroughs, a manufacturer of computers and information systems, did not file the sale and lease-back with the Labor Department, because the deal was structured within the legal requirements of the Employee Retirement Income Security Act, Mr. Level said.

Although unusual, this type of transaction is not unique. The Boise Cascade Corp. recently raised cash through the sale of timber tracts to its fund and is leasing them back (*Pensions & Investment Age*, March 21). In a slightly different transaction, Diamond-Shamrock Corp. placed one of its royalty interests in the pension fund in lieu of part of its cash contribution (*P&I Age*, April 18).

Burroughs' sale of manufacturing facilities to its pension fund in 1981 and 1982 apparently fits into an overall effort to raise cash and reduce debt, which reached a peak of $1.2 billion in 1981.

According to its 1982 annual report, "net positive cash generated from operations enabled the company to reduce debt during 1982 by $233 million, resulting in a year-end debt balance of approximately $1 billion." By the end of the first quarter, debt had declined another $100 million, to $900 million.

Mr. Level said another benefit to the company is that it is assured continued use of the assets because it holds the option to buy back the

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Reynolds Metals dedicates

In 2nd cash-saving bid, company puts half fund assets in dedicated portfolio

By Ivy Schmerken

RICHMOND, Va.—Reynolds Metals Co. put half of its pension fund assets in a dedicated bond portfolio in 1982.

The fund dedicated $375 million of its $750 million pension fund by pooling assets from several investment managers and terminated two international advisers to do so.

The aluminum company, which at its April 20 annual meeting reported a 1983 first-quarter loss of $52.6 million compared with $13.6 million a year ago, dedicated last December.

Dedicated bond portfolios match income and maturity payments with pension fund payouts, reducing reinvestment risk and locking in a return. Because of that, actuaries have often allowed dedicated portfolios to justify an increase in the assumed investment income earned on the dedicated plan assets, decreasing the required contribution.

Reynolds' pension expense was reduced by about $39 million "as a result of changes in the assumed rate of return from 7.5% to 9% and the establishment of dedicated bond portfolios which will yield significantly higher rates of return than previously assumed," the firm's 1982 annual report states (*Pensions & Investment Age*, April 18). The company also reduced pension expense by changing its actuarial cost method from entry age normal cost to unit credit cost.

The dedication was the company's second cash-saving strategy involving its pension fund in 1982.

Earlier in the year, Reynolds Metals contributed 600,000 shares of convertible preferred stock to its pension fund in lieu of $30 million cash.

The aluminum company joined other cash-strapped companies—Aluminum Co. of America, Wheeling-Pittsburgh Steel Corp. and U.S. Steel—that issued convertible preferred stock to meet their 1982 pension contribution needs.

A Reynolds spokesman declined to comment on the strategy used by the company to construct the dedicated portfolios.

Industry sources said the strategy involved bond swaps, arbitrage and substitutions.

The spokesman did say Reynolds considered using convertible preferred stock in place of bonds for the dedicated portfolios.

The convertible preferred shares

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Pension plans cornerstone in Pittsburgh development

By Linda Savage Ruhe and Mark Westerbeck

PITTSBURGH—Several pension funds have played major roles in the financing of two new office buildings here.

Six pension funds, including the Pennsylvania Public School Employees Retirement System and the Teacher Retirement System of Texas, financed the recently completed 47-story One Oxford Centre through a participating mortgage arranged by the real estate investment advisory unit of The Boston Co.

Nearby at One Mellon Bank Center, four public funds, an investment adviser representing several public funds and four insurance companies put up $285 million to finance the mortgage on that 54-story office building.

The Oxford Centre investment is treated as a $140 million first mortgage through which the pension funds receive 50% of the cash flow, said Robert A. Radloff, president of The Boston Co. Real Estate Counsel. The mortgage has a 30-year term with a call option between the 10th and 20th years. The funds can sell and receive 50% of the sales price beyond $140 million. Mr. Radloff said Landauer Associates

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One Oxford Centre: Six pension funds provided financing for the building

Bond fund's '82 return: 46.7%

Despite restrictions, size, California returns "fabulous"

By Steve Hemmerick

LOS ANGELES—The internally managed $18.7 billion California Public Employees Retirement System has outperformed most of the nation's pension funds in the past two years, despite severe investment restrictions.

Sid McCausland, interim chief of investments, told the fund's board that the system's bond fund had a 1982 return of 46.7%, putting it in the top 1% of the bond fund universe of A.G. Becker's Funds Evaluations Service. The average return for bond funds for 1982 was 29.3% in that universe, Mr. McCausland said.

For 1982, the retirement system also bested the 43.7% return of the Salomon High Grade Bonds and the 31.1% return of the Lehman Bros. Kuhn Loeb Government/Corporate Bond Index.

For the two years ending December 1982, the fund scored a 22.6% return, putting it in the top 5% of bond funds in the universe. The median in the universe for two years was 17.8%.

Although the retirement system's stock portfolio didn't have as good a return compared with its bond portfolio, the stock return still was better than the majority of other returns in the Becker Universe, and it beat the Standard & Poor's 500 index for 1982. The return on equities for the California fund was 26.4%, putting it just slightly below the first quartile for the Becker Universe.

Of the $18.7 billion in the retirement system, 44.6% of the assets are in bonds, 32.4% are in mortgages and equity real estate, 19.8% are in stocks and the remainder in short-term investments.

For the two-year period, the stock portfolio returned 9.7%, beating the S&P 500's 7.3%; and for three years, the retirement system's stock return was 15.1%, equaling the S&P 500's return.

The system doesn't have three-year returns on bonds. It first began using the Becker performance evaluation service three years ago, and only the stock portfolio was measured in the first year.

The retirement system's stock return is especially surprising as it can't invest in many of the S&P 500 stocks because of investment restrictions. State voters last fall defeated an effort by the system to ease those restrictions. Until the system's April 20 board meeting, performance results had been difficult to obtain.

In addition to the restrictions, the fund is hampered by size. Its billions of dollars in investments makes it difficult for the in-house managers to move the portfolio in, out and around the markets. Many other public funds have excused relatively poor performance when measured against corporate funds by saying they are much larger and have many more restrictions.

Robert F. Carlson, president of the system's board of trustees, and a member of the investment committee called the investment results "outstanding" and "great."

Another member of the investment committee and a trustee, Mel Rubin, said the returns were "just fabulous."

Mr. McCausland said it is past investment decisions, criticized at the time they were made, that are "paying off handsomely."

"During 1981, this board allowed us to invest heavily into deep discount bonds at a time when the investment community at large had turned its back on the bond market," Mr. McCausland said. "We took a great deal of criticism at the

Continued on page 31

Two funds win $180 million fight

SACRAMENTO, Calif.—The California public employees and teachers funds do not have to return $180 million in state pension contributions.

The State Supreme Court has declined to hear an emergency motion by the state finance director seeking the return of the contributions because of California's financial difficulties.

The case, involving cash contributions and state government, could be precedent-setting. According to Carl Blechinger, executive officer for the $18.7 billion Public Employees Retirement System, the case was "being watched by states all over the nation. Other state administrations have indicated a distinct interest in it."

In 1982, the Legislature passed a bill withholding one quarter's contributions, about $180 million, from the two retirement systems, saying the state needed the money and the retirement systems didn't.

The legislators involved said the state could get the money out of the retirement systems' reserve fund. Some of them contended the amount set aside for deficiencies—$1 billion—was too large.

But public employee and teacher unions filed suit for the contribution, and an appeals court agreed with the unions' position.

State Controller Ken Cory had placed the money in a special account, and when the court ruled in the unions' favor, he turned it over to the retirement systems immediately.

But Russell Iungerich, attorney for the state director of finance, accused Mr. Cory of "jumping the gun." Mr. Iungerich filed an emergency motion with the California Supreme Court.

The state director of finance wanted the money back before some notes came due on $850 million the state had borrowed because of budgetary problems.

Ben Allamano, chief counsel for the public employees' union, filed an answer to the state's emergency motion with the Supreme Court. Mr. Allamano said of the state, "It looks like to me they (the state officials) are strongly in need of the money and that is their primary interest. I don't think they are worried about the issues of law involved in the case."

In the state's view, the $1 billion reserve the retirement funds had been building was too large and some of that money should have been distributed to the employer/employee accounts to bring down the size of the state's contributions, Mr. Iungerich said.

He said the contribution rates were artificially high because the retirement systems weren't distributing that reserve money, and he claimed some of the reserve money was "lost to the system" for more cost-of-living allowance benefits for the retirees.

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Late news

Continued from page 1

Breen leaves Sarofim

HOUSTON—Daniel A. Breen resigned as president of Fayez Sarofim & Co.

Fayez Sarofim, chairman of the board, will resume the presidency. Mr. Sarofim said the "parting is amicable" and that Mr. Breen decided to leave for personal reasons. Mr. Breen had come under fire in the wake of news that the firm's performance had been dismal during the past few years (*Pensions & Investment Age*, March 21). But Mr. Sarofim said "I don't know what triggered the decision."

Fund may unite firms

DALLAS—A group of former Braniff International Corp. employees are hoping to use Braniff's pilots' pension fund to help bring the airline and Hyatt Corp. together. Officials of the bankrupt airline had rejected a rescue attempt made by Hyatt on the ground it was at least $10 million short of what they considered to be minimum capitalization. The former employees have offered to raise that $10 million, suggesting some or all of it could come from the pilots' plan.

PBGC vs. Teamsters

JACKSON, Miss.—The $3.7 billion Central States Teamsters Pension Fund and the American Trucking Associations Inc. are engaged in a "friendly lawsuit" with the intent of overturning the withdrawal liability provisions of the multiemployer pension law, a government agency has charged.

In papers filed in U.S. District Court here April 15, the Pension Benefit Guaranty Corp. argues the Central States fund and the trade group have discussed legal strategy for the case and have shared information with each other throughout the litigation, even though they are on opposite sides of a suit challenging the law.

DOL sets guidelines

WASHINGTON—The Department of Labor has developed guidelines for how it will respond to corporate mergers and tender offers involving use of employee benefit plan assets. In addition, the department has created an internal structure to respond swiftly to tender offer situations. The guidelines are to be released shortly.

Connecticut appoints

HARTFORD, Conn.—The $1 billion State of Connecticut Mutual Fixed Income Fund, part of the $2.4 billion State of Connecticut Trust Funds, has awarded Lehman Management Co. $80 million and Financial Management Group $20 million, both for active bond portfolios.

P.I.P.E.R. results in

NEW YORK—Pooled equity funds of banks and insurance companies chalked up a 9.5% time-weighted return in the first quarter of this year, according to the Pensions and Investments' Performance Evaluation Report. This is slightly below the Standard & Poor's 500 index figure of 10% for the same time. For the year ending March 31, the median equity fund had a 42.2% rate of return, compared to 44.5% for the S&P 500.

On the bond side, the median return was 3.1% for the first quarter and 29.2% for the year ending March 31. This compares to Salomon Bros. High Grade Bond Index's first quarter return of 3.7%, and the year's return of 43.9%.

TUCS beat S&P 500

SAN FRANCISCO—The median equity manager in the Trust Universe Comparison Service slightly outperformed the Standard & Poor's 500 index, 10.14% vs. 10%, in the first quarter of this year.

The median result for the bond manager in the TUCS universe was 2.6%, falling behind the 3.2% first-quarter return for the Lehman Bros. Kuhn Loeb Government/Corporate Bond Index. For the first quarter, cash managers had a 2.6% return and balanced managers had a return of 6.6%. For the 12 months ending March of this year, equity managers had a 44.1% return, vs. 43.8% for the S&P 500, and fixed-income managers had a 12-month return of 26.8%, vs. 30.6% for the Lehman index.

Equity adviser added

CINCINNATI—Cincinnati Bell has hired Renaissance Investment Management in Cincinnati as an additional manager. Renaissance will run an equity portfolio for the $225 million pension fund initially totaling $5 million.

Gregg, McKay named

BALTIMORE—Gregg, McKay, Knight & McKay was added to the State of Maryland Retirement Systems' list of 10 new equity managers who will receive $445 million to manage. Gregg, McKay joins the ranks of specialty growth stock managers. The firm will be given $15 million, he said.

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Vol. 11, No. 9—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

$3 million in foreign stock

Idaho investment stirs question of disclosure

By Ivy Schmerken

BOISE, Idaho—The $600 million Idaho Public Employee Retirement System became one of the few public funds with international investments when it placed $3 million in an international equity fund.

The investment was made, however, apparently without the board of trustees' knowledge. Because the fund operates under the prudent man rule and managers have full discretion, the manager who made the investment did not need specific approval.

But retirement board Chairman Alan Jensen said, "as a general rule, I would expect any manager of ours to touch base with the board or the administration before he did anything innovative."

According to one source, the investment was not disclosed to the board because it might have caused a political stir.

However, both the adviser who recommended the investment and the trustee bank say they believed there was no need to inform the board of the investment because of their discretionary powers and because the investment was such a small one relative to the size of the fund.

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Features

Profiting from profit-sharing

Defined contribution plans offer more—not less—protection

By Bert L. Metzger

ARE DEFINED benefit plans doomed? *Pensions & Investment Age* in its Dec. 20, 1982, issue suggested they were. However, any prediction about the demise of defined benefit pensions is premature.

Such plans satisfy distinct needs, particularly for people with long past service who are up in years when the retirement income plan is initiated, people whose earnings rise rapidly in the years immediately preceding their retirement, high-paid executives and employees who like the sense of security conveyed by the promise of fixed benefits relayed to final pay.

Immediately subsequent to the Employee Retirement Income Security Act of 1974, defined benefit pension plan approvals fell significantly, but they have rebounded well and have demonstrated considerable strength. See Tables I and II.

Numerically, more profit-sharing programs were initiated in the 5¾ years from 1977 through Sept. 30, 1982 than any other type of retirement-income plan. Nevertheless, defined benefit pensions moved steadily forward after a slow post-ERISA start. In 1977, for example, only 6,953 defined benefit pensions were approved compared with 10,113 money-purchase pensions. During the first nine months of 1982, 22,102 defined benefit pensions were implemented compared with 18,273 money-purchase pensions.

Defined benefit pensions accounted for only 26% of new plans, but 62% of participants in new plans; money-purchase pensions, with 29% of new plans, covered only 10% of new participants; and profit-sharing, with 45% of new plans, accounted for 28% of new participants.

Defined benefit plans represented 28% of the plans in the universe in the summer of 1975, defined contribution plans 72%.

In 1977 and 1978, defined contribution plans soared to between 80% and 85% of approvals but dropped back into the historical range of 71% to 73% during 1979 to 1981.

In short, the approval rate for all types of retirement income programs is at a record level. Profit-sharing and defined benefit plans are leading the way.

Many large companies with pensions today do not want to enrich their pensions further, with unpredictable cost implications particularly in periods of high inflation. Meeting pension commitments during a recession has proved to be a heavy burden for many companies. Firms in this category are supplementing their pensions with profit-sharing or thrift plans, frequently 401(k) plans.

Other companies have started with profit-sharing as their sole retirement income plan, aside from Social Security, but are adding complementary pensions, such as "wrap-around" pensions covering service not included under the profit-sharing plan, "floor" pensions and the like.

The *P&I Age* editorial said "employees are the losers where defined contribution plans replace defined benefit plans." If this is so, it occurs principally because little benefit accrues in a young person's pension in early years. Age largely determines the amount of the annual accrual in a pension. Accruals are skewed to older workers nearing retirement.

Ten-year "cliff" vesting in pensions might aggravate further the problem for the middle-age and younger employee. If the employee's participation is terminated before 10 years of service, he might get nothing from his pension plan.

Under profit sharing, individual account buildups occur more rapidly for younger employees and faster vesting makes possible a more meaningful portable benefit in our highly mobile society. Vesting in profit sharing is normally graduated starting at one to three years of service and rising by 10% increments to 100% after 10 to 11 years of service.

According to a Bankers Trust Co. study, 10-year "cliff" vesting is used by all pattern (negotiated) pension plans, and by nine out of 10 conventional pension plans.

Graduated vesting gives the employee an annual incentive to stay with the company and this tends to reduce employee turnover.

The whole country would suffer if there were a major shift from defined benefit to defined contribution plans, according to the *P&I Age* editorial. Why? The editorial explains:

- "The national savings rate probably would drop, reducing the amount of money available for capital investment."
- ". . . since defined contribution plans offer less retirement protection than defined benefit plans, the burden on the Social Security system will be increased at a time when the system cannot bear it."

It is difficult to see why the national savings rate would drop. Most pension plans are non-contributory (eight out of 10 according to a recent Bankers Trust Co. study), while more than 60% of deferred profit-sharing plans are contributory.

Employees may participate on a voluntary basis in the thrift incentive feature of the profit-sharing plan and this adds 3% to 6% of pay or more to their capital accumulations. This will take on even greater significance as 401(k) salary reduction agreements encourage higher employee participation and the initiation of more plans.

Company payments to defined contribution plans as a percentage of pay of participants are comparable to or slightly higher than those made to defined benefit plans. Companies usually contribute between 6% to 9% of pay to their pension programs while employers normally contribute an amount equivalent to 9% to 10% of pay to their profit-sharing programs.

Under the circumstances, a switch to defined contribution plans would likely increase the national savings rate and make more money available for capital investment. Thus, defined contribution plans may well offer more, rather than less, retirement protection.

During the recession, many employees became aware that the guarantees under defined benefit pensions were not absolute and neither a company "on the ropes" nor the Pension Benefit Guaranty Corp. will be able to provide 100% of the benefits accrued. Defined contribution plans do not make for instant security but they do emphasize two concepts: profitability and affordability.

The best security is earned security; profit sharing, relating contributions to corporate performance, highlights this. Individual vested accounts in the profit-sharing trust convey a sense of ownership and security to participants.

Further, retirees under defined benefit plans have only a promise of fixed dollars per month during retirement. These payments surely will be eroded by inflation. Only management goodwill and ad hoc adjustments will help the retirees partially keep up with inflation.

Profit-sharing distributions may be taken in a lump sum in cash and/or company stock "in kind" or through installments with the balance participating in investment returns through the years. How might this latter work out in practice?

A participant who retired with $60,000 in a fixed-income fund and who elected to receive 15 annual installments would receive $4,000 as his first installment (1/15 of $60,000). Under an assumption of an annual yield of 9% credited to his unpaid balance and the retiree receiving 1/15, 1/14, 1/13, etc. of his revalued account each year, he would realize an increasing amount from interest and principal each year.

The fifteenth and final installment would be approximately $13,364. The total settlement would have yielded the retiree more than $116,000.

Individuals also would have additional options. The retirees could withdraw less of the interest and principal each year and stretch the installments out for a longer period, such as the joint life expectancies of the retirees and their spouses.

In other words, profit sharing permits the retiree's unpaid balance to continue to participate in investment returns, and the power of compound interest continues to directly benefit the retiree. Is this not a fair measure of retirement protection?

A distribution in a lump sum in cash can provide the recipient with great flexibility, rollover options and investment income during his retirement years.

Many large companies have a substantial portion of their profit-sharing funds in-

Continued on next page

Bert L. Metzger is president of Profit Sharing Research Foundation, Evanston, Ill.

Table 1

Number of Newly Approved Profit-Sharing and Pension Plans and Participants 1977-1982

Excluding Stock Bonus, ESOPs, TRAESOPs, Bond Purchase, and Target Benefit Plans

	PLAN APPROVALS		PARTICIPANTS	
PLAN TYPE	NUMBER	PERCENT OF TOTAL	NUMBER	PERCENT OF TOTAL
•Profit sharing	165,902	45	3,749,869	28
•Money purchase	108,656	29	1,358,773	10
•Defined benefit	97,176	26	8,376,835	62
Total	371,734	100	13,485,477	100

Table 2

Defined Contribution Plans (Profit Sharing, Stock Bonus and Money Purchase Pensions) and Defined Benefit Plans

Numerical Breakdown According to EBS-1 Data, Summer 1975, and Subsequent IRS Reports

NEW PLAN APPROVALS	DEFINED CONTRIBUTION PLANS	DEFINED BENEFIT PLANS
Summer 1975	72%	28%
1977	80	20
1978	85	15
1979	72	28
1980	73	27
1981	71	29
1982 First nine months only	68	32

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Realty: A national market

'Big picture' is needed for overall investment strategies

By Clayton P. Pritchett

FOR YEARS, real estate practitioners have extolled the local market significance of real estate and have minimized the existence of a national market. However, this understanding is changing rapidly.

The huge new pools of investment capital representing domestic and foreign pension funds and private investors are developing national investment strategies and need information to help in their planning.

These sophisticated investment managers are used to dealing with national and even international markets in stocks and bonds.

They are also used to the monitoring of investment results through widely reported daily transactions in the New York and various regional stock exchanges.

Similarly, these investment managers in planning real estate investment strategies are constantly seeking more accurate information on the cyclical characteristics of the supply and demand for office, industrial and retail properties.

Insights into the magnitude, timing and regional variation of various forms of real estate were gained by a recent analysis.

The study looked at investment-grade real estate which has a replacement cost slightly in excess of $4 million. Replacement cost includes hard and soft construction costs and a developer's profit. Also, industrial properties are assumed to be groups of several buildings.

The collection and analysis of construction activity was greatly aided by computerization, accumulating information in both millions of square feet and dollars.

Because most real estate practitioners like to have data by small areas, breakdowns were included for selected regions and metropolitan areas.

Using this data, supply and demand cycles could be identified.

The chart on this page plots the additions to the supply of investment-grade real estate in billions of dollars during the 16-year period from 1967 to 1982.

Across the bottom of the chart is the year during which the construction was started. Along the left-hand margin is the 1982 replacement cost, which is defined as the square footage area constructed in each of the 16 years multiplied by the average cost of development experienced in the first half of 1982.

The figures plotted are based on data supplied by Data Resources Inc., and represent the cost of replacing these properties in late 1982.

The replacement-cost chart shows the dominance of office properties in investment-grade real estate.

In most years, office development exceeded the sum of both industrial and retail development, particularly during the past 2½ years when office construction exploded. Industrial properties consist essentially of warehousing/distribution buildings and exclude manufacturing facilities.

In every year, the amount of retail development exceeded the amount of industrial development.

However, retail development, which was extremely popular during the late 1960s through the early 1970s, is on a long-term downward trend.

In contrast, industrial development, which was of modest proportions through the early 1970s, recovered well in the late 1970s and is on a long-term upswing.

The one constant of all three types of investment-grade real estate is that each experienced a lull in construction activity during the mid-1970s.

The period since then, which represents construction starts between 1977 and 1982 and construction activity between 1978 and 1982, were recovery years.

Take note that the different forms of real estate reached their peaks in different years. Office construction starts reached a peak during 1969 and recently peaked in 1981. Retail construction starts reached their peak between 1972 and 1973, and then again in 1979. Industrial construction starts reached their initial peak in 1973 and 1974 and again during 1979.

This chart indicates office buildings have experienced a 10- to 11-year development cycle compared with a six- or seven-year cycle for industrial and retail construction.

Time will tell whether this disparity will continue in the future.

The composite total of investment-grade real estate construction starts rose to a level of more than $16 billion a year from the period 1969 to 1973, dropped to $8 billion in 1976 and peaked at $25 billion during 1981 before dropping below $20 billion again in 1982.

Keep in mind that the total construction of all office, industrial and retail buildings actually exceeds these levels because the figures do not include properties with replacement costs less than $4 million.

For this article, the development value of investment-grade real estate by real estate type as well as major region of the country was aggregated.

The table below shows the replacement cost of investment-grade real estate in billions of dollars by type and region for the years 1967-1982.

These data indicate that of the $240 billion worth of investment-grade real estate developed in the past 15 years, nearly 60% is represented by office buildings, more than 25% by retail and nearly 13% by industrial properties.

Geographically, nearly half has been built in the established areas of the Northeast and North Central United States and slightly more than half in the South and West.

Even though the Northeast formerly led in overall office construction, the South has maintained its dominance in overall industrial and retail development since 1967 and office construction since 1971.

The clearest indicator of the phase the real estate cycle is in is vacancy rates. The most recent market cycle 1975 through 1982 shows how vacancy rates identify various parts of the cycle.

During 1975-1976, at the bottom of the cycle, vacancy rates for offices peaked at between 10% and 15%. In the rising phase, 1977 through 1980-1981, office vacancies gradually declined from 10% to a more stabilized level of 5% to 6%.

At the top of the cycle, 1981 and 1982, vacancy rates were stable to gradually rising toward 6% or 7%, due to heavy construction activity.

In the declining phase, 1982 into 1983, vacancies are expected to climb again to levels between 10% and 15%.

Once the various phases of the real estate cycle for office, industrial and retail properties are more widely recognized, then investors have to realize what adjustments could be made in their investment strategies at various stages.

The case can be made for the use of a national monitoring service for investment-grade real estate to assist in the identification of phases of the cycle being experienced by each type of real estate.

As is the case with Wall Street, many times a real estate investor is uncertain whether a false or real bottom/resurgence is occurring. Investment groups should not rely upon national monitoring services to choose and select specific investment properties.

However, national monitoring services can provide a sound basis of knowledge for investment groups to understand more accurately the real estate cycle at the point prior to establishing annual refinements to their investment policy guidelines. ■

Clayton P. Pritchett is senior vice president for Landauer Associates, New York.

Profit-sharing profits . . .

Continued from preceding page

vested in their own company stock. These companies normally provide for distributing employer stock "in kind" to retiring participants at their request. Retirees have the option to hold the stock until the market for them turns favorable. Retirees decide when and how much to sell. They receive dividends up until this time and pay no taxes on unrealized capital gains until the stock is actually sold. Fully funded, rapidly vested, individual account profit-sharing plans, with no past service liabilities, do not put a burden on Social Security, but rather greatly buttress the system.

The investment risk is carried by participants under a defined contribution plan, by the company under a defined benefit program. True enough.

Profit-sharing participants, however, also share in investment gains. They bear risk with an opportunity to gain. They participate more fully in the risk/reward system. Poor investment decisions through the years can leave the profit-sharing participant impoverished in retirement but the odds are with him.

Profit Sharing Research Foundation's major study of "Profit Sharing in 38 Large Companies" provided an opportunity to evaluate profit-sharing benefits that actually were paid out to long-service, non-management employees. Overall, only six companies out of the 33 that provided this data, or 18%, generated profit-sharing benefits that fell below the pension standard.

Twenty-seven out of the 33 companies, or 82%, have profit-sharing programs that have generated benefits from 102% to 1,011% of the pension standard.

Not all profit-sharing participants end up as well, but the opportunity is there. ■

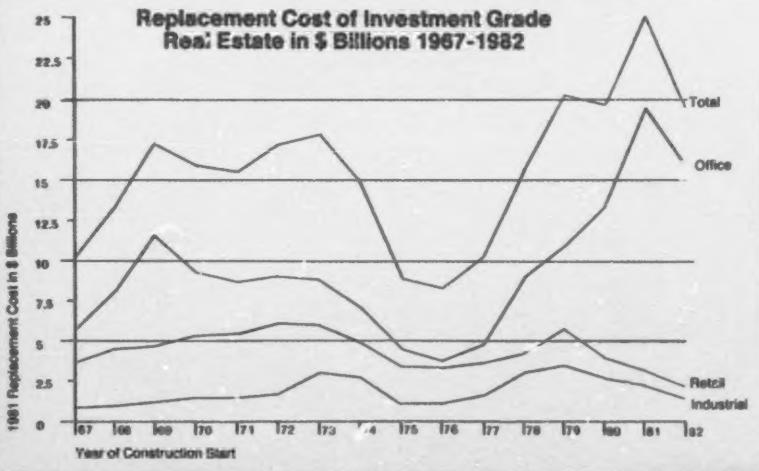
Replacement Cost of Investment Grade Real Estate in $ Billions 1967-1982

Table 1

Replacement Cost of Investment Grade Real Estate in $ Billions 1967-1982 By Type and Region

				I.G.R.E	
REGION	OFFICE	INDUSTRIAL	RETAIL	TOTAL	%
Northeast	40.8 (29%)	4.6 (15%)	14.6 (22%)	60	24.9
North Central	26.8 (19%)	7.0 (23%)	17.9 (26%)	51.7	21.5
South	41.8 (29%)	11.4 (37%)	23 (34%)	76.2	31.7
West	32.6 (23%)	7.5 (25%)	12.5 (18%)	52.6	21.9
U.S. Total	142	30.5	68	240.5	100
% of Total	59	12.7	28.3	100	

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Market trips up real estate managers

By Steve Hemmerick

LOS ANGELES—A shakeout might be coming in the real estate adviser industry.

Real estate investment advisers sprang up by the dozens in the past 18 months to help pension funds invest in real estate and to earn healthy fees for themselves.

But to the surprise of many of them, few got the amount of pension money they expected.

Blake Eagle, who tracks 125 real estate investment organizations for clients of the consulting firm Frank Russell Co., estimates "no more than 10" of those advisers got large amounts of pension money in 1982.

Many real estate investment organizations sprang from financial service companies, including investment bankers, banks, insurance companies and brokerage services, that heard in 1981 about the coming "great leap" into real estate by pension funds. Many of them "ran into a brick wall," one consultant said.

Now some of those companies reportedly have put real estate marketing on a back burner, moving their salesmen to other projects. Some financial experts say the result will be a continuing shakeout in the industry, with many advisers quietly limping back to their primary forms of business.

According to the experts, many of the new advisers opened for business just as inflation began to cool, hurting some marketing efforts to sell real estate as an inflation hedge.

Then the economy cooled, leaving corporations strapped for cash and seeking ways to cut pension contributions, hurting the advisers further because real estate investments usually come out of new cash flow.

At the same time, plan sponsors were locking up high interest rates paid on guaranteed investment contracts and bonds with whatever cash they had. When the sponsors began to believe the stock market would rise, many found the stock

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Pensions & Investment Age

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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • May 16, 1983

SEC, DOL study incentive fees

Proposals by two agencies would permit performance-based fees

By Joel Chernoff

WASHINGTON—The Securities and Exchange Commission and the Department of Labor are working on separate proposals that together would allow pension fund managers to be paid on the basis of performance.

The SEC staff expects to present its recommendations to the commission within a month; the Labor Department hopes to publish its proposal sometime in June.

Relief granted by the SEC alone might not help pension fund managers, since they still would have to meet rules under the Employee Retirement Income Security Act.

Conversely, relief that is being contemplated by the Department of Labor would not aid registered investment advisers unless the SEC proceeds with its proposal.

The Labor Department's proposal stems from the work it has done on the definition of plan assets (*Pensions & Investment Age*, May 2).

The definition would introduce fiduciary status to a number of investment advisers who previously had not been considered fiduciaries. That would cause those advisers to become subject to tough guidelines regarding self-dealing. In-

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Valued at $54 million

Exxon contributes realty at pension fund's request

By Nancy Webman

NEW YORK—Exxon Corp., in a transaction initiated by its pension fund, has contributed about $54 million in real estate to its U.S. Dollar Annuity Fund as part of its 1982 contribution.

EXXON

It is becoming increasingly common for companies to place stocks, bonds, real estate and even oil and gas royalties in their pension funds in lieu of cash contributions. However, the contributions rarely are made at the suggestion of the fund, but rather as a cash-saving device for the company.

H.L. Cone, manager-investment and plans financing for Exxon, said the pension fund was "independently out looking for real estate in Texas and the Southwest" when fund officials learned Exxon was "going to start selling some of their properties. When we heard, we said we'd like to take a look at some of them if it wouldn't be too much of a hassle." The result was the contribution of a 15.1-acre office and retail development in Houston's North Belt area, a successful commercial area near Houston's Intercontinental Airport.

Exxon made the contribution in December, but news of the transaction did not surface until after the company received an exemption last month from the U.S. Department of Labor as a prohibited transaction.

The property, part of the Greenspoint area in the North Belt, was given to the fund by Exxon U.S.A., a wholly owned subsidiary of Exxon Corp.

Its fair market value was appraised at $53.63 million last July. At that appraised value, the contribution represents about 12% of the company's 1982 obligation. The appraised value also is slightly more than 1.5% of the fund's $3.530 billion in assets as of Sept. 30, 1982.

Exxon U.S.A. purchased the real estate for the appraised market value from Friendswood Development Co., another Exxon subsidiary. According to the Federal Reg-

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Late news

Revision proposed

WASHINGTON—Sen. Don Nickles, R-Okla., has introduced a bill that would revise the single-employer plan termination insurance provisions of ERISA. The bill would close up loopholes that allow plan sponsors to dump underfunded plans on the Pension Benefit Guaranty Corp. by terminating them or spinning them off. It also would give the PBGC a lien on company assets when a firm is granted a funding waiver. Sen. Nickles also urged that Congress increase the annual premium for single-employer plans to $6 per participant.

DOL sues Simmons

PEORIA, Ill.—The Department of Labor has charged businessman Harold Simmons and seven other pension plan trustees with manipulating employee benefit assets from eight pension plans to control other companies.

The department said Mr. Simmons misused $25 million in pension assets when pension funds of which he was trustee acquired interests in Amalgamated Sugar Co., Ogden, Utah; Keystone; Interpace Co., Parsippany, N.J.; and Cyclops Corp., Pittsburgh.

All of the pension funds are sponsored by companies controlled by Contran Corp., its affiliates and Mr. Simmons.

Dallas-based Contran is largely owned by a trust controlled by Mr. Simmons.

Mr. Simmons recently was sued by Cyclops Corp., which charged him with violating securities laws

Continued on page 2

Fund still open to Seafirst bid

Washington board may take second look if B of A bid fails

By Steve Hemmerick

SEATTLE—The Washington State Investment Board might take a second look at acquiring ailing Seafirst Corp. if the corporation's 12,000 stockholders reject Bank of America's bid to acquire the Seattle bank holding company.

However, members of the investment board, who serve as trustees for $4.3 billion in state pension money, said last week they didn't have enough time or information on Seafirst to make a rival bid now.

John Hitchman, investment board director, said the board's consideration of buying Seafirst is a "harbinger of the future" and that "pension funds are going to be buying companies. It is something that is going to occur."

Bank of America has agreed to buy Seafirst, the trust department and other operations of the company's principal unit, Seattle First National Bank, for $250 million in cash and preferred stock, plus a $150 million capital infusion. Bank of America hopes to close the Seafirst transaction in 60 days. The Seafirst holding company announced a first-quarter net loss of $133 million, primarily a result of problems in the bank's energy-loan portfolio.

Seafirst's non-performing assets climbed to about $897 million at the end of the first quarter, from $800 million at the end of last year, according to Susan Chappel, who is an investor relations officer for Seafirst.

In commenting on Bank of

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Seattle: "Pension funds are going to be buying companies," says a state board official

Cash Holdings

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after several pension plans for which he is trustee purchased significant holdings in Cyclops stock (*Pensions & Investment Age*, May 2); further Cyclops stock purchase plans have been put in abeyance. The government suit seeks to remove Mr. Simmons and other plan officials as trustees for allegedly violating their fiduciary duties under the Employee Retirement Income Security Act.

The agency also wants an independent asset manager appointed and the trustees ordered to repay any losses incurred by the plans.

The Labor Department suit, filed May 10 in federal court here, was combined with a separate suit filed April 29 by Jefferson Trust & Savings of Peoria, a trustee for the Keystone Master Deferred Incentive Trust. Keystone Consolidated Industries, Dallas, the plan sponsor, is controlled by Mr. Simmons. The bank suit seeks removal of the trustees for the plan.

Late news

Missouri fund hires

JEFFERSON CITY, Mo.—The $441 million Missouri State Employees Retirement System has decided to allocate 15% of its portfolio to real estate investments, Mary-Jean Hackwood, executive secretary announced. The Am Cal Co., North Hollywood, Calif., has been retained by the system as real estate adviser.

Assets go in-house

MORRIS PLAINS, N.J.—The Warner-Lambert Co. will begin to invest internally $30 million in equities for its $550 million pension fund this month, according to Joe Joshi, manager-pension investments.

The assets will come from cash flow and from three of its seven equity managers.

Alaska fund appoints

JUNEAU, Alaska—The Alaska Public Employees' Retirement System has hired Citibank and Morgan Guaranty Trust Co. as international managers to run portions of its $1.26 billion in combined pension assets, according to Milton Barker, deputy commissioner for treasury.

They will primarily manage foreign equities.

Firm sells property

ORLANDO, Fla.—Martin Marietta Corp., continuing its attempt to raise cash to reduce its debt, has sold a four-building office complex of a real estate subsidiary here to Aldrich, Eastman & Waltch for $25 million.

Aldrich, Eastman & Waltch purchased the property on behalf of a pension fund; a spokesman refused to identify the fund.

TIAA finances realty

ROCKVILLE, Md.--Teachers Insurance and Annuity Association is financing a $15.7 million, 323,500-square-foot industrial park development here through a participating mortgage.

The project will be the first phase of an 80-acre industrial park called Metro Park North.

The first 23 acres will consist of eight buildings for office and research and development space. The developer is Trammell Crow Co. and financing was arranged by a subsidiary of The Rouse Co.

Copperweld appoints

PITTSBURGH—Copperweld Corp. has hired Avatar Associates, New York, and Waddell & Reed Investment Advisers, Kansas City, Mo., to manage a portion of its $120 million pension fund, according to Bob Wohleber, assistant treasurer. The equity managers are funded out of new cash flow and will handle $10 million each.

Value Line a hot offer

NEW YORK—Eager investors quickly bought up an initial public offering of 1.9 million common shares of Value Line Inc., the investment advisory and publishing firm. The shares were offered May 10 at $17 each, but demand rocketed the price to a peak of $25 in over-the-counter trading, an almost 50% premium above the offering price.

The stock closed at $22.50. Lazard Freres & Co. managed the offering, which was valued at $32.3 million at the offering price. The shares constitute about 19% of the firm's total 10 million shares outstanding.

Value Line is owned by Arnold Bernhard & Co., whose voting stock is held by Arnold Bernhard, founder and chairman of Value Line. The investment advisory firm manages more than $1 billion in tax-exempt assets.

Lumi joins Bankers

NEW YORK—Rein Lumi, vice president in charge of corporate non-investment products at Chemical Bank, has joined Bankers Trust as vice president and director of the public funds and Taft-Hartley group. Mr. Lumi fills the spot vacated by Donal Murphy, who left the bank in April.

Also at Bankers, Seth Lynn, vice president and passive-management group head for the investment management group, has been named interim group sales/marketing manager. James Kieff, former vice president in charge of the marketing and administration division, left to join Batten, Barton, Durstine & Osborn International.

Byrne leaves GAF to start new firm

By Lynn Griffo

NEW YORK—Susan Byrne, formerly assistant treasurer of GAF Corp., has left the company to become president of Westwood Management Corp., a newly formed investment management firm for tax-exempt clients.

Westwood Management is a venture between Ms. Byrne and John Lakian, chairman of Fort Hill Investors, Boston, who is providing financial backing.

Because Ms. Byrne's investment style is completely different from that of Fort Hill, Mr. Lakian urged her to start a new firm.

Although he will not be involved in the day-to-day management of the company, Mr. Lakian is the chairman and chief executive officer of Westwood Management. Ms. Byrne said he will be providing business and support expertise.

Ms. Byrne, who left GAF in March, opened Westwood's doors April 1. The company has $50 million in assets under management, with GAF as its first client.

Asked why she left GAF, Ms. Byrne said, "Isn't it everyone's dream to work for yourself?"

Ms. Byrne spent four years at GAF, where she built a strong reputation as an excellent manager of pension assets.

GAF's board of directors and chief financial officer, James Sherwin, gave her free rein in singlehandedly running the firm's pension assets, which total more than $200 million.

Her investment strategies brought excellent portfolio performance. Her expertise led GAF to recoup $35 million in overfunded assets when, in October 1982, it terminated its defined benefit plan for salaried employees in favor of a defined contribution, profit-sharing program.

Susan Byrne: Leads advisory firm

GAF's salaried and hourly plans, both managed by Ms. Byrne, realized a 23.4% compound annual return between Dec. 31, 1978, and June 30, 1982, (*Pensions & Invest-*

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Vol. 11, No. 10—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Consistency marks first-quarter leaders

Top equity funds lassoed the bull

By Linda Savage Ruhe

CHICAGO—Investors who have ridden the bull market fully invested have also steered themselves into top performing positions.

Most of the funds recording the top equity returns for the quarter and year ending March 31 were fully invested when the market took off last August; in addition most purchased stock in similar sectors including consumer, technology, health care and financial.

Citizens Bank & Trust Co., Chillicothe, Mo., was the most consistent top performer in the past 10 years in the Pensions & Investments' Performance Evaluation Report compiled by Rogers, Casey & Barksdale.

P.I.P.E.R. coverage begins on page 19

For five and 10 years on an annualized basis, the fund ranked first with returns of 31.4% and 17.5%.; for the year, it ranked ninth with a 66% return, and for the quarter it ranked fifth with a 17.6% return.

According to Edgerton Welch, chairman of the board and trust officer at Citizens, these returns were achieved by selecting stocks based on the research the bank receives from Value Line, as well as the reports from the research departments at Blyth Eastman Paine Webber, Merrill Lynch, and E.F. Hutton.

Two industry sectors that played an important role in the portfolios recently were hospital management and brokerage, according to Ed Douglas, senior vice president and trust officer. Stocks in those areas that contributed to the portfolios included **Hospital Corp. of America, National Medical Enterprise, Paine Webber, Merrill Lynch, E.F. Hutton & Co. and American Express Co.**

Other industry sectors that have been contributors during the past 10 years included mining, energy, technology and airlines, according to Mr. Welch.

In general, the stocks the bank puts in its portfolios are from the

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Unique strategies pay off in bonds

By Lynn Griffo

DENVER—Zero coupons, perpetual preferred utilities and junk bonds were among the variety of strategies responsible for the high returns of the consistent top fixed-income performers.

In a strong showing of consistency, United Capital Management, the investment subsidiary of United Bank of Denver, was in the Pensions & Investments' Performance Evaluation Report top quartile for fixed-income funds for this year's first quarter, and for the one-, three-, five- and 10-year periods ending March 31. United Capital's strong first-quarter showing combined the foresight to purchase very long bonds with several unique bond strategies.

The bonds, purchased as early as 1981, included corporates, industrial utility and government bonds.

United began the first quarter of 1983 with 40% of its portfolio invested in long governments, and the remaining 60% in very long discount bonds, such as utilities and corporate original issue discount bonds.

The original issue discounts, with coupons ranging from 7% to 8.5%, were held in the portfolio throughout the first quarter of the year.

In addition, United Capital had put extra emphasis on Bbb rated utility bonds and original issue discount corporate bonds.

Both decisions paid off handsomely throughout the first quarter, according to William Cook, who is assistant vice president at United Capital.

The firm bought Bbb utility bonds throughout 1981 because they represented superior value in terms of yields and yield spreads, in addition to "looking cheap," Mr. Cook said.

In 1981, when interest rates were going "up and up," corporations were looking for ways to raise cash without being taken to the cleaners in the bond market. As a result, they began offering attractively

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Top performers for equity, fixed-income

Five top equity funds return better than 70% for the year

By Linda Savage Ruhe

CHICAGO—The rising stock market has rewarded the top bank and insurance company equity funds with record returns for both the quarter and the year ending March 31.

For the year, the top five funds had returns of more than 70%, with Security Pacific National Bank, Los Angeles, topping the list at 89%.

For the quarter, the top five funds had returns of more than 17%, with Pioneer Bank & Trust Co., Chicago, and Seattle Trust, Seattle, tying for first with returns of 18.2%.

In the past 10 years, the previous high equity return recorded in the Pensions & Investments' Performance Evaluation Report was for the year ending March 31, 1981, when First Bank of Denver posted a return of 77.2%.

For this report, compiled by Rogers, Casey & Barksdale, 250 commingled equity funds of banks and insurance companies were tracked.

At the same time the top funds reported record figures, the median funds underperformed the Standard & Poor's 500 index for the quarter and year.

The median for the quarter was 9.5%, compared with a 10% return for the S&P 500.

For the year, the S&P returned 44.5%, compared with the median P.I.P.E.R. equity fund return of 42.2%.

For the year, only 99 of the funds had returns that were above the S&P 500's.

For the three-year period, the median fund matched the S&P 500 at 20.7%.

For five years, the median fund annualized return of 17.85% beat the S&P 500 at 17.6%.

For 10 years, the S&P 500 index returned 8.3%, beating the median P.I.P.E.R. fund, which recorded 7.7%.

For the quarter, Merchants National Bank, Mobile, Ala., came in third with 17.9% behind Pioneer Bank and Seattle Trust.

Ranking fourth was Citizens Bank & Trust Co., Chillicothe, Mo., with 17.6%, and fifth was First Union National Bank, Charlotte, N.C., with 17.2%.

For the year, following Security Pacific National's 89%, was First Variable Life Insurance Co., Little Rock, Ark., which had a return of 76.8%.

In third place was Citizens Trust Co., Madison, Wis., with a return of 71.6%.

Fourth place for the one-year period was taken by California First Bank, San Diego, with a return of 71.6% and fifth went to Huntington National Bank, Columbus, Ohio, with a return of 70.4%.

Continued on page 20

The statistical data on performance is extracted from Pensions and Investments' Performance Evaluation Report (P.I.P.E.R.), a quarterly performance evaluation service published separately by *Pensions & Investment Age*.

The service details comparative performance data on more than 200 equity funds and a like number of fixed-income funds for banks and insurance companies. The reports are compiled by Rogers, Casey & Barksdale Inc., Stamford, Conn.

Information from the reports is extracted and published in the regular issue of *P&I Age*. The special section contains:

Top quartile equity returns .... **pg. 21**
Top quartile fixed-income returns .... **pg. 22**
Equity performance by size .... **pg. 21**
Fixed-income performance by size .... **pg. 21**

For PIPER subscription information, write: P.I.P.E.R., c/o Pensions & investment Age, 740 N. Rush St, Chicago, Ill. 60611.

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Stable interest rates restrain returns on bond portfolios

By Lynn Griffo

NEW YORK—Stable interest rates in the first quarter of this year put a damper on returns for commingled fixed-income funds managed by banks and insurance companies, according to the latest Pensions & Investments' Performance Evaluation Report.

For the quarter ended March 31, the median commingled bond fund returned 3.1%, the same return achieved by the Lehman Bros. Kuhn Loeb Government/Corporate Bond Index. The Salomon Bros. High Grade Bond Index, which consists exclusively of long corporate bonds, did somewhat better in the first quarter with a 3.7% return.

The P.I.P.E.R. median was down from the previous quarter's return of 8.2%; the comparative indices showed similar drops, reflecting stabilized interest rates.

Meridian Management Co., the investment subsidiary of First Variable Life Insurance in Arkansas, had the best result in the first quarter with an 8.5% return.

Not only was Meridian in first place for the first three months of the year, but it also was in the top decile for the one- and three-year periods ending March 31.

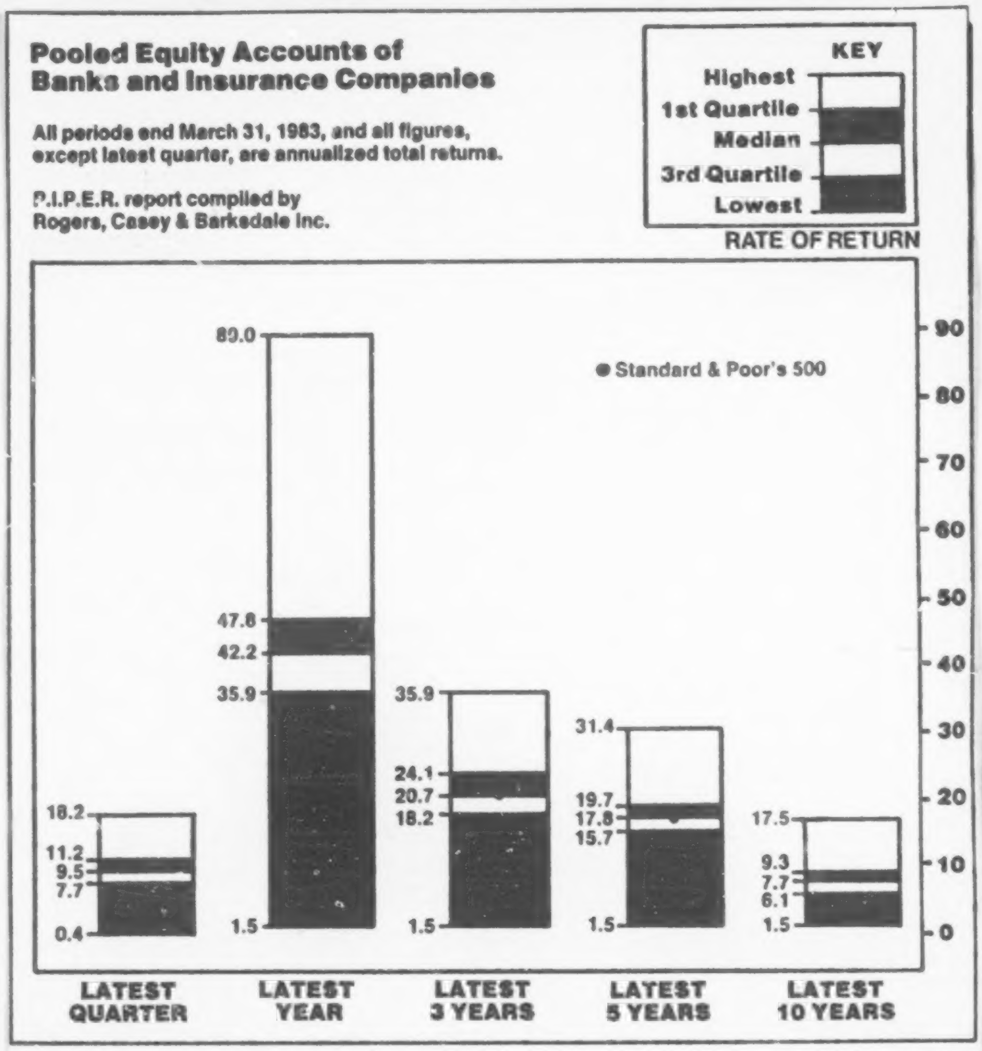
Meridian's return of 40.1% for the year puts it in sixth place. Meridian ranked eighth, with a 19.8% return, for the three years.

Merchants National Bank of Mobile, Ala., was the second highest performer in the first quarter, with a 7.2% rate of return and First & Merchants National Bank in Richmond, Va., with 6.9%, was third.

First & Merchants has stellar fixed-income performance not only in the latest quarter but also for the one-, three- and 10-year periods ending March 31.

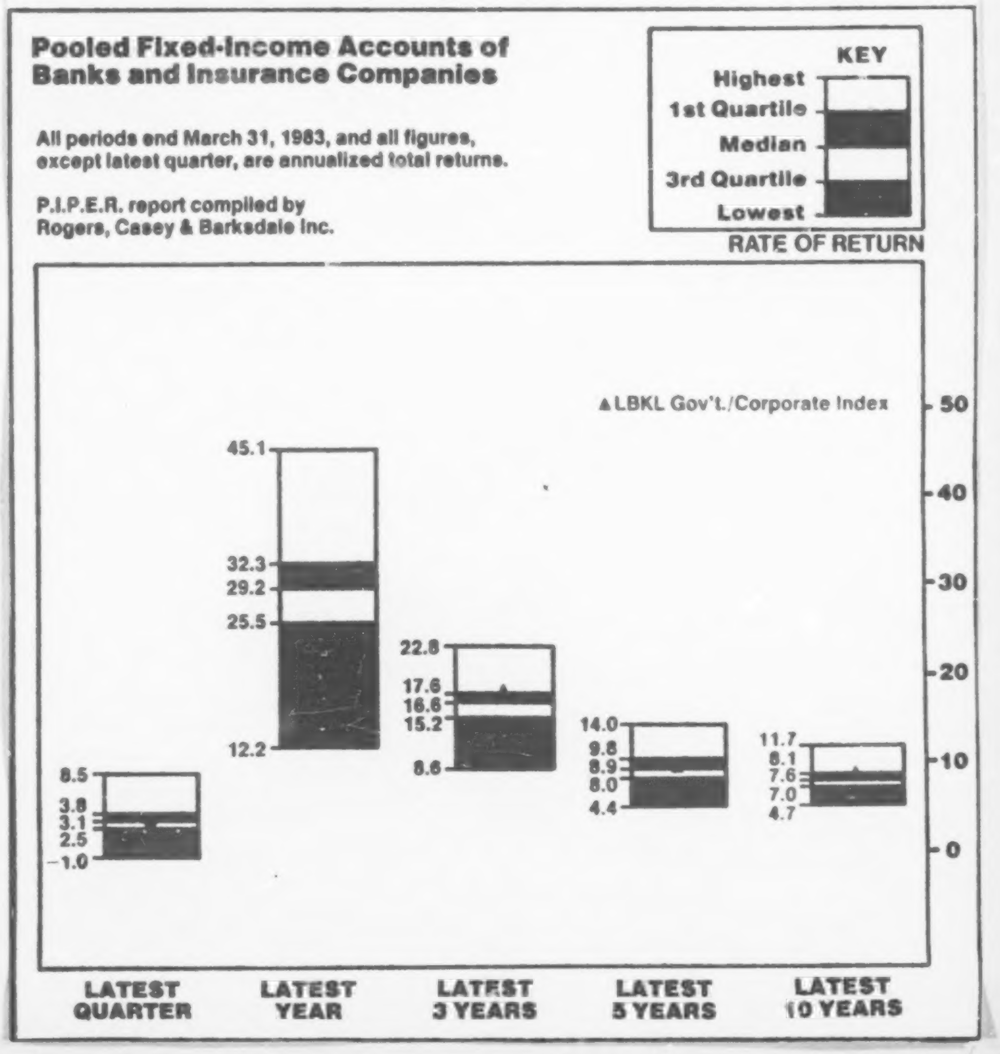
However, one of the key individuals responsible for these numbers, Fred Tattersall, formerly senior vice-president and fixed-income department chief at the bank, left in February to become a managing

Continued on page 20


Pooled Equity Accounts of Banks and Insurance Companies

All periods end March 31, 1983, and all figures, except latest quarter, are annualized total returns.

P.I.P.E.R. report compiled by Rogers, Casey & Barksdale Inc.


Pooled Fixed-Income Accounts of Banks and Insurance Companies

All periods end March 31, 1983, and all figures, except latest quarter, are annualized total returns.

P.I.P.E.R. report compiled by Rogers, Casey & Barksdale Inc.

Fixed-income . . .

Continued from page 19

director at Lowe, Brockenbrough & Tierney, (*Pensions & Investment Age*, March 7).

The fourth and fifth highest performing commingled bond funds in the first quarter were at Mutual of New York and Trust Services of America (California) with returns of 6.1% and 5.9% respectively.

MONY also hit the top quartile for the one-year period with a return of 34.4%.

The median P.I.P.E.R. fixed-income return for the one-year period is 29.2%, reflecting the interest-rate declines in the fourth quarter of 1982 and the concurrent rally in the bond market.

The highest performing fund for the year ending March 31 is at Commerce Union Bank in Tennessee, which chalked up a 45.1% return.

Moreover, Commerce Union's fund was the only commingled bond fund in the P.I.P.E.R. index to outperform the Salomon Bros.' index return of 43.9% for the same period.

While Commerce Union's fund did not hit the top quartile rankings for the latest quarter or three-year period, it is ranked third for the 10 years, with a 10.1% return.

The second highest performer for the one-year period was United Bank of Denver's investment management subsidiary, United Capital Management, with a 42.6% return.

United Capital Management also made the top decile for the first quarter of this year with a 5.2% rate of return.

Close behind United of Denver was Central National Bank of Cleveland's commingled bond fund, which shows 42% for the one-year period.

Fourth and fifth highest performers in this time frame were AmSouth, in Alabama, and First Wisconsin National Bank, Madison, with returns of 41.9% and 41.7%, respectively.

The Lehman Bros. index for the one-year period ending March 31 was 30.6%.

Among the larger institutions, one-year returns were: John Hancock, Boston, 37.3%; Citibank, N.Y. 36.1%; Chase Manhattan, N.Y., 35%; First National Bank of Chicago, 34.7%; and Travelers, Hartford, 28%.

Looking at the commingled bank and insurance company bond funds for the three years ending March 31 shows the median bond fund returning 16.6% for the period. This is below the Salomon and Lehman index figures of 18.5% and 17.7%, respectively.

First & Merchants returned the high score, 22.8% for this period, while First Kentucky Trust earned the No. 2 spot with its 21.1% return.

American National Bank of Austin, Bankers Trust Co., and Allied Bank in Texas garnered the third, fourth and fifth highest scores with returns of 20.9%, 20.6% and 20.3% respectively.

For the 10-year period ending March 31, Bank One Trust Co. in Ohio had the highest return in the P.I.P.E.R index with its 11.7% return. Hibernia National Bank in Louisiana was in second place with a 10.2% return.

In descending order, Commerce Union Bank in Tennessee—10.1%, Jefferson Trust Co. in Illinois—10.0%, and Seattle First National Bank also with a 10.0% return were also top performers during this time frame.

For the 10-year period, the median P.I.P.E.R. bond fund returned 7.6%; the Salomon and Lehman indexes returned 6.4% and 7.9% respectively. ■

Equity . . .

Continued from page 19

Among the larger institutions, the one-year returns were: The Northern Trust, Chicago, 58.8%; Citibank, N.Y., 52.8%; Chase Manhattan, N.Y., 51.4%; Equitable Life, N.Y., 48.1%, and First National Bank of Chicago, 47.6%.

Looking at the three-, five- and 10-year statistics in addition to the more recent periods, Citizens Bank & Trust Co. of Chillicothe was one of the most consistent top performers.

Besides ranking fifth for the quarter, Citizens' return of 66% for the year placed it ninth. It ranked fourth for the three-year period with an annualized return of 33.4% and first in the five- and 10-year statistics with returns of 31.4% and 17.5%, respectively.

The top three performers on an annualized basis for the three years were Intrawest Bank of Denver, with 35.9%; First National Bank & Trust Co. of Oklahoma City, with 35.1%; and Employers Insurance of Wausau, Wis., with 34%.

Coming behind Citizens of Chillicothe in the five-year period were Intrawest, with a return of 29.7% and Employers Insurance of Wausau, with 28.9%.

For 10 years, ranked second behind Citizens was Guardian Life Insurance Co. of America, New York, with a return of 16.8% and First Wisconsin National Bank, Madison, was third with a return of 16.6%. ■

Peat Marwick announces fund results

NEW YORK—The median return of specialized equity funds exceeded those of bond funds and straight equity funds in 1982, and for the five years ending with 1982, according to Peat, Marwick, Mitchell & Co., New York.

The data also include returns of domestic bond and international equity and bond funds.

The median return of 46 specialized managers, including small-stock and options managers, was 30.7% in 1982, against a 29.5% median return to 105 bond managers, and 24.3% for 187 equity managers, Peat, Marwick, Mitchell's results show. The Standard & Poor's 500 index median was 21.7%, and Lehman Bros. Kuhn Loeb's Government/Corporate bond index median was 31.1%.

For the five-year period ending December 1982, the median specialized equity manager had a 23.2% return, against 18.4% for standard equity funds and 8.8% for the median fixed-income fund.

And in the fourth quarter, bond returns lagged far behind the returns in the rallying stock market. The median bond fund returned 8.2%, against 24.4% for the median specialized equity fund and 18.5% for the median equity fund.

Thirty-three overseas funds invested in non-U.S. dollar equities had a 2.7% median return in 1982, but 15 global funds, which don't have country restrictions, cashed in on the U.S. stock market rally, with a 10% median return. For five years, non-U.S. dollar and global equity funds had median returns of 14.7% and 8.3%, respectively.

Thirty-five Eurodollar bond funds, which have no restrictions on maturity, had a 23.3% median return in 1982 and a 7.5% return in the fourth quarter. The median fund of middle-maturity Eurodollar bonds was 5.5% in 1982, and the median return of 17 short-term Eurodollar bond funds was 15.9% last year. The median fund without restrictions had a 20.2% return in 1982 and 8.2% in the fourth quarter. ■

U.S. Trust's Active Fixed-Income Formula

[POSITIVE ANNUAL RETURNS] + [LOW VOLATILITY (RISK)] = [SUPERIOR LONG-TERM PERFORMANCE]

Q. Has your bond manager consistently realized positive annual returns for over a decade—and achieved time-weighted rates-of-return exceeding the CPI for every period up to 10 years?

A. U.S. Trust has.

Superior Long-Term Performance
(Time-Weighted Rates-of-Return Ending 12/31/82)

	10 Yrs.	8 Yrs.	5 Yrs.
Salomon Bros. Index	6.1%	7.9%	5.8%
F. Russell 1st Quartile	7.7%	9.7%	9.1%
LBKL Govt./Corp. Index	8.4%	9.1%	8.4%
Consumer Price Index	8.7%	8.7%	9.5%
PIPER 1st Quartile	9.2%	9.8%	9.2%
U.S. Trust	9.4%	10.1%	10.8%

Q. How can you measure risk in investment style?

A. Volatility of historical performance.

This follows the axiom: the greater volatility in the rate-of-return, the greater the risk undertaken. Clearly, you would be wise to prefer a portfolio which earns 10% each period over a market cycle to one which alternates between rates of 0% in one period and 20% in the next.

RISK = VOLATILITY*

Universe or Index	Volatility
SBI	19.2%
LBKL	12.5%
PIPER	12.5%
F. Russell	11.9%
U.S. Trust	4.7%

*Volatility in terms of variability of quarterly performance, measured in standard deviations, for the five-year period ending 12/31/82

At U.S. Trust, we adhere to an investment philosophy that *secures a stable capital value, provides a predictable cash flow,* and thus *realizes superior long-term performance.*

If our formula complements your objectives for fixed-income management, please call or write John K. Holland, Vice President, U.S. Trust, 45 Wall Street, New York, N.Y. 10005, (212) 806-4480.

U.S. Trust

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P.I.P.E.R. returns

Top quartile commingled equity funds

3-month returns

	%
Pioneer Bank, Ill.	18.2
Seattle Trust, Wash.	18.2
Merchants Natl., Ala.	17.9
Citizens Chillicothe, Mo.	17.6
First Union Bank, N.C.	17.2
First Wis. Natl., Madison	15.9
Fidelity Mgmt. Trust, Mass.	15.9
First Variable Life, Ark.	15.8
Huntington Banks, Ohio	15.7
California First Bank	15.7
Equitable Trust, Md.	15.6
Citizens Trust Co., Wis.	15.5
Northern Trust, Ill.	15.1
United Kentucky Bank	14.9
American Natl., Chic. (active)	14.8
Bankers Life, Iowa	14.8
First of Grand Island, Neb.	14.5
US Natl. of Oregon	14.4
Intrawest, Colo.	13.8
Central Bank Denver	13.7
Hamilton Bank, Pa.	13.6
Texas Commerce	13.5
Sun Bank, Fla.	13.5
Security Pacific, Calif.	13.4
Natl. of Commerce, Neb.	13.3
Employers Life of Wausau, Wis.	13.2
Marine Midland, N.Y.	13.1
Mercantile Trust, Mo.	12.9
Chase Manhattan, N.Y.	12.8
First Bank Milwaukee	12.8
Aetna Life & Casualty, Conn.	12.6
Merchants Natl., Ind.	12.5
Manufacturers Detroit	12.5
United of Denver	12.3
Provident Mutual, Pa.	12.3
St. Louis County Bank	12.2
Provident National, Pa.	12.2
Mercantile Natl., Ind.	12.1
Olympic Bank, Wash.	12.1
Penn Mutual Life, Pa.	12.0
Continental Bank, Pa.	11.9
Rainier National, Wash.	11.9
Union Central, Ohio	11.9
Fourth Natl., Tulsa, Okla.	11.9
American Fletcher, Ind.	11.9
Summit & Elizabeth, N.J.	11.9
Pacific Mutual, Calif.	11.8
Great West Life, Manitoba	11.7
HT Investors Inc., R.I.	11.7
Bank of Southwest, Texas	11.7
Minnesota Mutual	11.7
Citibank, N.Y.	11.6
Maryland National	11.5
American Security, D.C.	11.4
First Natl. of Tulsa, Okla.	11.4
Fifth Third Bank, Ohio	11.4
Guardian Insurance, N.Y.	11.4
Marine Trust, Wis.	11.4
John Hancock (stock), Mass.	11.3
First City Natl., Houston	11.3
Republic Natl., Dallas	11.2
Resource Bank & Trust, Minn.	11.2
Standard & Poor's 500	**10.0**

One-year returns

	%
Security Pacific, Calif.	89.0
First Variable Life, Ark.	76.8
Citizens Trust Co., Wis.	76.1
California First Bank	71.6
Huntington Banks, Ohio	70.4
United of Denver, Colo.	68.4
Merchants Natl., Ala.	68.2
First Bank Milwaukee	66.4
Citizens Chillicothe, Mo.	66.0
First Union Bank, N.C.	64.3
Equitable Trust, Md.	63.3
First of Oklahoma	63.2
Intrawest, Colo.	62.6
Marine Midland, N.Y.	61.8
Amsouth, Ala.	60.0
US Natl. of Oregon	60.0
Bank One Trust, Ohio	59.4
Seattle Trust, Wash.	59.3
Northern Trust, Ill.	58.8
Sun Bank, Fla.	58.6
Fidelity Mgmt. Trust, Mass.	58.6
New England Mutual, Mass.	58.5
Employers Life of Wausau, Wis.	57.9
Home Life, N.Y.	57.3
Gary-Wheaton Bank, Ill.	57.0
Mercantile at Dallas	55.6
Central Bank Denver	55.2
Ohio Citizens Trust	55.1
Bankers Life, Iowa	55.0
Texas Commerce	54.9
Merchants Natl., Ind.	54.8
First Wisconsin Trust	54.1
Citibank, N.Y.	52.8
Penn Mutual Life, Pa.	52.7
Lake Shore Natl., Ill.	52.6
Manufacturers Detroit	52.5
Omaha Natl. Bank, Neb.	52.4
First Wisconsin Natl., Madison	52.5
Interfirst Invt. Mgmt., Texas	52.2
American Security, D.C.	52.1
First City Natl., Houston	52.0
Chase Manhattan, N.Y.	51.4
Pioneer Bank, Ill.	50.7
Virginia National	50.7
Cigna Corp., Conn.	50.5
Rainier National, Wash.	50.4
Bank of Delaware	50.4
First Trust Corp., Colo.	49.7
Dauphin Deposit, Pa.	49.5
Aetna Life & Casualty, Conn.	49.4
Guardian Insurance, N.Y.	49.4
Philadelphia National	49.2
HT Investors Inc., R.I.	48.9
Summit & Elizabeth, N.J.	48.8
Morgan Guaranty (Median), N.Y.	48.7
State Street Bank, Mass.	48.6
Mercantile Natl., Ind.	48.2
First Interstate of Calif.	48.2
American Fletcher, Ind.	48.2
Equitable Life (No. 4)	48.1
First Tennessee, Chat.	48.1
Natl. of Commerce, Neb.	47.9
Minnesota Mutual	47.8
Wilmington Trust, Del.	47.8
Standard & Poor's 500	**44.5**

Three-year returns

	%
Intrawest, Colo.	35.9
First of Oklahoma	35.1
Employers Life of Wausau, Wis.	34.0
Citizens Chillicothe, Mo.	33.4
United of Denver, Colo.	32.6
First Union Bank, N.C.	32.0
First Interstate of Nevada	31.6
First Wis. Natl., Madison	31.4
Amsouth, Ala.	31.4
First Variable Life, Ark.	31.1
Citizens Trust Co., Wis.	30.8
Marine Trust, Wis.	30.6
Manufacturers Detroit	29.9
First Bank Milwaukee	29.4
California First Bank	29.2
Mercantile at Dallas	29.0
IAA Trust Co., Ill.	29.0
Huntington Banks, Ohio	28.8
First Tennessee, Chat.	28.5
Philadelphia Natl., Pa.	28.4
First Trust Corp., Colo.	28.3
Equitable Life (No. 4)	28.2
Sun Bank, Fla.	28.1
US Natl. of Oregon	28.1
Lake Shore Natl., Ill.	27.8
Provident National, Pa.	27.7
Bank One Trust, Ohio	27.3
Home Life, N.Y.	27.0
State Street Bank, Mass.	26.8
Ohio Citizens Trust	26.4
US Natl. of Galveston, Texas	26.3
Equitable Trust, Md.	26.2
American Natl. Chic. (Active)	26.2
Omaha Natl. Bank, Neb.	26.2
Puget Sound Natl., Wash.	26.1
Bessemer Trust, N.Y.	25.9
Massachusetts Mutual	25.8
First City Natl., Houston	25.8
Aetna Life & Casualty, Conn.	25.5
Northern Trust, Ill.	25.5
Fifth Third Bank, Ohio	25.5
Gary-Wheaton Bank, Ill.	25.3
Penn Mutual Life, Pa.	25.3
Chase Manhattan, N.Y.	25.3
Dauphin Deposit, Pa.	25.3
Seattle Trust, Wash.	25.2
First Wisconsin Trust	25.1
Wheeling Dollar Bank, W.Va.	25.1
Security Trust, Rochester, N.Y.	25.1
Colorado Natl. Bank	25.0
American Security, D.C.	25.0
Confederation Life, Ont.	24.9
Rainier National, Wash.	24.9
New England Mutual, Mass.	24.7
Bankers Life, Iowa	24.5
Natl. of Commerce, Neb.	24.5
First Kentucky Trust	24.4
Texas Commerce	24.4
Third Natl., Nashville, Tenn.	24.1
Natl. City Cleveland	24.1
Union Central, Ohio	24.1
Bank of Southwest, Texas	24.1
Standard & Poor's 500	**20.7**

Five-year returns

	%
Citizens Chillicothe, Mo.	31.4
Intrawest, Colo.	29.7
Employers Life of Wausau, Wis.	28.9
Home Life, N.Y.	27.1
Equitable Life (No. 4)	25.7
First Interstate of Nevada	25.6
US Natl. of Oregon	25.0
Bessemer Trust, N.Y.	24.7
Natl. of Commerce, Neb.	24.5
First Union Bank, N.C.	24.2
Mercantile at Dallas	24.1
United of Denver	24.1
First of Oklahoma	24.0
Philadelphia Natl., Pa.	23.9
First Wis. Natl., Madison	23.9
Capital Bank, Houston	23.8
Marine Trust, Wis.	23.7
First Trust Corp., Colo.	23.3
Omaha Natl. Bank, Neb.	23.1
Texas Commerce	22.3
Cigna Corp., Conn.	22.2
Confederation Life, Ont.	22.2
Sentry Life, Wis.	22.1
Citibank, N.Y.	21.6
Amsouth, Ala.	21.6
Wheeling Dollar Bank, W. Va.	21.6
Equitable Trust, Md.	21.5
Chase Manhattan, N.Y.	21.5
Aetna Life & Casualty, Conn.	21.4
Huntington Banks, Ohio	21.3
Natl. City Cleveland	21.3
Guardian Insurance, N.Y.	21.1
First Variable Life, Ark.	21.1
Northern Trust, Ill.	21.0
Lake Shore Natl., Ill.	21.0
State Mutual Life, Mass.	21.0
Rainier National, Wash.	20.9
Continental Bank, Pa.	20.9
IAA Trust Co., Ill.	20.8
Fifth Third Bank, Ohio	20.7
Commonwealth Natl., Pa.	20.6
US Natl. of Galveston, Texas	20.6
Penn Mutual Life, Pa.	20.6
Provident National, Pa.	20.5
New England Mutual, Mass.	20.5
First City Natl., Houston	20.4
Manufacturers Detroit	20.4
First Natl. Lincoln, Neb.	20.4
HT Investors Inc., R.I.	20.3
First of Fort Worth, Texas	20.3
Bankers Life, Iowa	20.2
First Interstate of Wash.	20.1
Texas American Bank	20.1
Security Trust, Rochester, N.Y.	19.9
First Bank Milwaukee	19.9
First Tennessee, Chat.	19.8
Seattle 1st Natl., Wash.	19.8
Equitable Life (No. 1)	19.7
Sun Bank, Fla.	19.7
Genesee Merchants, Mich.	19.7
Standard & Poor's 500	**17.6**

Ten-year returns

	%
Citizens Chillicothe, Mo.	17.5
Guardian Insurance, N.Y.	16.8
First Wis. Natl., Madison	16.6
First Variable Life, Ark.	16.1
First Trust Corp., Colo.	14.5
Amsouth, Ala.	14.5
US Natl. of Galveston, Texas	14.5
Bessemer Trust, N.Y.	14.5
Bankers Life, Iowa	14.0
US Natl. of Oregon	13.8
Home Life, N.Y.	13.5
Capital Bank, Houston	12.9
Confederation Life, Ont.	12.7
Equitable Life (No. 4)	11.7
Hibernia National, La.	11.5
Minnesota Mutual	11.3
First of Kenosha, Wis.	11.1
Aetna Life & Casualty, Conn.	11.1
Landmark Union Trust, Fla.	11.0
First of Oklahoma	11.0
Olympic Bank, Wash.	10.9
Pittsburgh Natl. (QMS)	10.9
Fifth Third Bank, Ohio	10.9
Penn Mutual Life, Pa.	10.9
Intrawest, Colo.	10.8
United of Denver, Colo.	10.7
Mercantile at Dallas	10.7
First Interstate of Wash.	10.5
Massachusetts Mutual	10.5
Provident National, Pa.	10.4
Liberty Natl., Okla.	10.4
Crown Life, Ont.	10.4
Moline National, Ill.	10.4
First Pennsylvania Bank	10.2
Colorado Natl. Bank	10.1
Cigna Corp., Conn.	10.1
Provident Mutual, Pa.	10.1
First Natl. of Commerce, La.	10.0
First Tennessee, Chat.	10.0
Mich. Natl. of Grand Rapids	9.9
Old Second Natl. Aurora, Ill.	9.6
Chicago Title & Trust, Ill.	9.6
First American Corp., Mich.	9.6
Interfirst Invt. Mgmt. Texas	9.6
Phoenix Mutual, Conn.	9.5
Bank of Delaware	9.4
Texas American Bank	9.3

Top equity funds by size

1-year returns

Over $100 million

	%
Intrawest, Colo.	62.6
US Natl. of Oregon	60.0
Mercantile at Dallas	55.6
Bankers Life, Iowa	55.0
Citibank, N.Y.	52.8
Interfirst Invt. Mgmt. Tex.	52.2
Cigna Corp., Conn.	50.5
Aetna Life & Cas., Conn.	49.4
Philadelphia Natl., Pa.	49.2
Equitable Life (No. 4)	48.1

$50 million to $100 million

	%
Security Pacific, Calif.	89.0
Northern Trust, Ill.	58.8
Fidelity Mgmt. Trust, Mass.	58.6
New England Mutual, Mass.	58.5
Texas Commerce	54.9
Manufacturers Detroit	52.5
Chase Manhattan, N.Y.	51.4
First of Chicago	47.6
Pacific Mutual, Calif.	47.3
Bessemer Trust, N.Y.	46.8

$10 million to $50 million

	%
First Variable Life, Ark.	76.8
Citizens Trust Co., Wis.	76.1
United of Denver, Colo.	68.4
First Bank Milwaukee	66.4
Citizens Chillicothe, Mo.	66.0
First Union Bank, N.C.	64.3
Equitable Trust, Md.	63.3
First of Oklahoma	63.2
Marine Midland, N.Y.	61.8
Amsouth, Ala.	60.0

Under $10 million

	%
California First Bank	71.6
Huntington Banks, Ohio	70.4
Merchants Natl., Ala.	68.2
Bank One Trust, Ohio	59.4
Seattle Trust, Wash.	59.3
Gary-Wheaton Bank, Ill.	57.0
Penn Mutual Life, Pa.	52.7
Lake Shore Natl., Ill.	52.6
Pioneer Bank, Ill.	50.7
Dauphin Deposit, Pa.	49.5

10-year returns

Over $100 million

	%
Bankers Life, Iowa	14.0
US Natl. of Oregon	13.8
Equitable Life (No. 4)	11.7
Aetna Life & Cas. Conn.	11.1
Intrawest, Colo.	10.8
Mercantile at Dallas	10.7
Massachusetts Mutual	10.5
Provident National, Pa.	10.4
Cigna Corp., Conn.	10.1
Interfirst Invt. Mgmt. Tex.	9.6

$50 million to $100 million

	%
Bessemer Trust, N.Y.	14.5
Hibernia National, La.	11.5
First Pennsylvania Bank	10.2
First American Corp., Mich.	9.6
Sentry Life, Wis.	9.1
New England Mutual, Mass.	8.6
Manufacturers Detroit	8.5
Crocker National, Calif.	8.5
Pacific Mutual, Calif.	8.4
North Carolina Natl. Bank	8.3

$10 million to $50 million

	%
Citizens Chillicothe, Mo.	17.5
Guardian Insurance, N.Y.	16.8
First Wisconsin Natl.	16.6
First Variable Life, Ark.	16.1
First Trust Corp., Colo.	14.5
Amsouth, Ala.	14.5
US Natl. of Galveston	14.5
Home Life, N.Y.	13.5
Minnesota Mutual	11.3
Landmark Union Tr., Fla.	11.0

Under $10 million

	%
Confederation Life, Ont.	12.7
First of Kenosha, Wis.	11.1
Olympic Bank, Wash.	10.9
Pittsburgh Natl. (QMS)	10.9
Penn Mutual Life, Pa.	10.9
Provident Mutual, Pa.	10.1
First Natl. of Commerce, La.	10.0
First Tennessee, Chat.	10.0
Old Second Natl. Aurora, Ill.	9.6
BancTexas, Dallas	8.9

Top fixed funds by size

1-year returns

Over $100 million

	%
Centerre Trust, Mo.	39.9
Cigna Corp., Conn.	39.6
Wachovia Bank, N.C.	38.9
American Security, D.C.	38.6
John Hancock	37.3
Texas Commerce	36.2
Citibank, N.Y.	36.1
Chase Manhattan, N.Y.	35.0
First of Chicago	34.7
Comerica Bank, Mich.	31.8

$50 million to $100 million

	%
Intrawest, Colo.	38.9
Irving Trust, N.Y.	35.2
Bankers Trust A, N.Y.	35.1
Marine Midland, N.Y.	35.0
Northwestern Natl., Minn.	34.5
Hibernia National, La.	31.8
Republic Natl., Dallas	30.7
HT Investors Inc., R.I.	28.7
Travelers, Conn.	28.0
First Union Bank, N.C.	22.5

$10 million to $50 million

	%
United of Denver, Colo.	42.6
Central Natl., Cleveland	42.0
Amsouth, Ala.	41.9
First Wis. Natl., Madison	41.7
First Kentucky Trust	40.1
Commonwealth Natl., Pa.	38.6
Trust SVCS of Amer., Calif.	38.5
Colorado Natl. Bank	37.2
Natl. of Commerce, Neb.	36.4
Landmark First Natl., Fla.	36.2

Under $10 million

	%
Commerce Union, Tenn.	45.1
First Variable Life, Ark.	40.1
Pacific Mutual, Calif.	36.2
American National, Minn.	35.7
Allied Bank, Texas	34.9
Bank of California	34.6
Ohio Citizens Trust	34.6
Fidelity Union, N.J.	34.4
Confederation Life, Ont.	34.0
Key Trust Co., N.Y.	33.9

10-year returns

Over $100 million

	%
US Trust, N.Y.	9.6
Manufacturers Hanover, N.Y.	9.5
Centerre Trust, Mo.	9.4
Texas Commerce	9.3
Cigna Corp., Conn.	9.1
Wachovia Bank, N.C.	8.3
Comerica Bank, Mich.	8.1
Citibank, N.Y.	8.0
John Hancock	7.9
Northern Trust, Ill.	7.8

$50 million to $100 million

	%
Hibernia National, La.	10.2
Fidelity Bank, Pa.	9.5
Bankers Trust A, N.Y.	8.2
North Carolina Natl. Bank	8.2
Irving Trust, N.Y.	8.0
First Union Bank, N.C.	7.8
First Pennsylvania Bank	7.8
First of Minneapolis	7.6
Intrawest, Colo.	7.6
Northwestern Natl., Minn.	7.3

$10 million to $50 million

	%
Jefferson Trust, Ill.	10.0
Seattle 1st Natl., Wash.	10.0
Fourth Natl., Wichita, Kan.	10.0
First Merch., Richmond, Va.	9.9
Bankers Trust B, N.Y.	9.1
Mercantile Trust, Mo.	8.9
First Kentucky Trust	8.7
Massachusetts Mutual	8.7
First Interstate of Calif.	8.7
First Wis. Natl., Madison	8.6

Under $10 million

	%
Bank One Trust, Ohio	11.7
Commerce Union, Tenn.	10.1
California First Bank	9.6
Allied Bank, Texas	9.1
Fidelity Union (Int), N.J.	9.0
Puget Sound Natl., Wash.	8.5
Oregon Bank	8.4
First of Bartlesville, Okla.	8.3
First Natl. of Commerce, La.	8.2
Security-Peoples Trust, Pa.	8.0

P.I.P.E.R. funds . . .

Life of Virginia	9.3
Standard & Poor's 500	**8.3**

Top quartile commingled fixed-income funds

3-month returns

	%
First Variable Life, Ark.	8.5
Merchants Natl., Ala.	7.2
First Merch., Richmond, Va.	6.9
Mutual of New York	6.1
Trust SVCS of Amer., Calif.	5.9
Intrawest, Colo.	5.8
Cigna Corp., Conn.	5.5
Key Trust Co., N.Y.	5.4
First Jersey Natl., N.J	5.4
Security-Peoples Trust, Pa.	5.2
United of Denver, Colo.	5.2
Beverly Bank, Ill.	5.2
California First Bank	5.2
First Interstate of Calif.	5.1
HT Investors Inc., R.I.	5.1
First Natl. State, N.J.	5.0
Texas American Bank	4.9
Minnesota Mutual	4.7
Equibank, Pa.	4.7
First Interstate Denver	4.7
Security Trust, Rochester, N.Y.	4.6
First Kentucky Trust	4.6
Massachusetts Mutual	4.6
First Interstate of Ariz.	4.5
Hamilton Bank, Pa.	4.5
Maryland National (Int)	4.5
Northwestern Natl., Minn.	4.4
First Interstate of Wash.	4.4
Gary-Wheaton Bank, Ill.	4.4
Maryland National	4.3
National of Georgia	4.3
Old National, Wash.	4.3
Texas Commerce	4.3
Seattle Trust, Wash.	4.3
IAA Trust Co., Ill.	4.2
Riggs of Washington	4.2
Fourth Natl., Wichita, Kans.	4.2
Lake Shore Natl., Ill.	4.2
Crocker National, Calif.	4.2
Marine Midland, N.Y.	4.1
Natl. of Commerce, Neb.	4.1
Central Fid., Richmond, Va.	4.1
Moline National, Ill.	4.0
Equitable Trust, Md.	4.0
Citibank, N.Y.	4.0
Peoples Trust, Ind.	4.0
American Security, D.C.	3.9
First of Neenah (Mtg)	3.9
First of Cincinnati	3.9
First of Maryland	3.9
Chicago Title & Trust, Ill.	3.9
Colonial Am. Natl., Va.	3.9
State Street Bank, Mass.	3.9
Wheeling Dollar Bank, W. Va.	3.9
Landmark First Natl., Fla.	3.9
Union Natl., Wichita, Kans.	3.9
Central Natl., Cleveland	3.8
Hibernia National, La.	3.8
First City Austin, Texas	3.8
Liberty Natl., Okla.	3.8
First Interstate of Oregon	3.8
Interfirst Invt. Mgmt. Texas	3.8
Lincoln Natl., Ind.	3.8
Salomon Bros. Index	**3.7**
LBKL Index	**3.1**

One-year returns

	%
Commerce Union, Tenn.	45.1
Salomon Bros. Index	**43.9**
United of Denver	42.6
Central Natl., Cleveland	42.0
Amsouth, Ala.	41.9
First Wis. Natl., Madison	41.7
First Variable Life, Ark.	40.1
First Kentucky Trust	40.1
Centerre Trust, Mo.	39.9
Cigna Corp., Conn.	39.6
Wheeling Dollar Bank, W. Va.	39.5
Wachovia Bank, N.C.	38.9
Intrawest, Colo.	38.9
Commonwealth Natl., Pa.	38.6
American Security, D.C.	38.6
Trust SVCS of Amer., Calif.	38.5
John Hancock	37.3
Colorado Natl. Bank	37.2
American Natl., Austin, Texas	37.1
Natl. of Commerce, Neb.	36.4
Landmark First Natl., Fla.	36.2
Texas Commerce	36.2
Pacific Mutual, Calif.	36.2
Citibank, N.Y.	36.1
American National, Minn.	35.7
Interfirst Invt. Mgmt. Texas	35.4
Irving Trust, N.Y.	35.2
Hawaiian Trust	35.2
Bankers Trust A, N.Y.	35.1
Colonial Amer. Natl., Va.	35.1
Marine Midland, N.Y.	35.0
Chase Manhattan, N.Y.	35.0
State Mutual Life, Mass.	35.0
Allied Bank, Texas	34.9
First Merch., Richmond, Va.	34.8
Mercantile at Dallas	34.8
First of Chicago, Ill.	34.7
Bank of California	34.6
Ohio Citizens Trust	34.6
Liberty Natl., Okla.	34.6
Northwestern Natl., Minn.	34.5
Mutual of New York	34.4
Fidelity Union, N.J.	34.4
Confederation Life, Ont.	34.0
First Tennessee, Memphis	33.9
Key Trust Co., N.Y.	33.9
Peoples Trust, Ind.	33.5
First Natl. State, N.J.	33.4
Security-Peoples Trust, Pa.	33.3
Connecticut National Bank	33.3
US Natl. of Oregon	33.2
Citizens Fidelity, Ky.	33.0
First of Allentown, Pa.	32.9
American Bank, Pa.	32.8
Natl. of Commerce, Tenn.	32.7
Citytrust, Conn.	32.6
United Kentucky Bank	32.5
Pioneer Bank, Ill.	32.5
Minnesota Mutual	32.4
Fleet Natl. Bank, R.I.	32.3
LBKL Index	**30.6**

Three-year returns

	%
First Merch., Richmond, Va.	22.8
First Kentucky Trust	21.1
American Natl., Austin, Texas	20.9
Bankers Trust A, N.Y.	20.6
Allied Bank, Texas	20.3
Central Natl., Cleveland	20.1
Intrawest, Colo.	20.0
First Variable Life, Ark.	19.8
Winters Natl., Ohio	19.7
Ohio Citizens Trust	19.7
American Security, D.C.	19.6
Wachovia Bank, N.C.	19.6
Security-Peoples Trust, Pa.	19.4
Mercantile Trust, Mo.	19.3
Marine Trust, Wis.	19.2
Texas American Bank	19.0
Centerre Trust, Mo.	18.9
First Jersey Natl., N.J.	18.8
Natl. of Commerce, Tenn.	18.8
American National, Minn.	18.7
Manufacturers Hanover, N.Y.	18.7
Beverly Bank, Ill.	18.7
Fidelity Union, N.J.	18.7
United of Denver, Colo.	18.6
Colonial Am. Natl., Va.	18.6
State Street Bank, Mass.	18.6
Pacific Mutual, Calif.	18.5
Salomon Bros. Index	**18.5**
Citibank, New York	18.4
First City Austin, Texas	18.4
First of Maryland	18.4
First Natl. State, N.J.	18.4
Crocker National, Calif.	18.4
Marine Midland, N.Y.	18.4
Morgan Guaranty (Median), N.Y.	18.3
Landmark First Natl., Fla.	18.2
First Interstate of Calif.	18.2
First Natl. of Commerce, La.	18.2
Seattle 1st Natl., Wash.	18.2
Key Trust Co., N.Y.	18.1
Hibernia National, La.	18.1
Texas Commerce	18.1
Landmark Union Trust, Fla.	18.0
Bank of New England, Mass.	18.0
Girard Bank, Pa.	18.0
Fidelity Union (Int), N.J.	18.0
Toledo Trust, Ohio	17.9
United Virginia Bank	17.9
Genesee Merchants, Mich.	17.9
Liberty Natl., Okla.	17.9
Riggs of Washington	17.8
Bank of California	17.8
Puget Sound Natl., Wash.	17.8
Trust SVCS of Amer., Calif.	17.7
LBKL Index	**17.7**
Fidelity Bank, Pa.	17.7
Provident National, Pa.	17.7
First Bank Milwaukee	17.6
American Bank, Tenn.	17.6
Fourth Natl., Wichita, Kans.	17.6
Connecticut National Bank	17.6

Five-year returns

	%
Fourth Natl., Wichita, Kans.	14.0
Texas Commerce	13.5
First Merch., Richmond, Va.	13.2
Seattle 1st Natl., Wash.	12.7
Hibernia National, La.	12.5
Fidelity Bank, Pa.	12.4
Commerce Union, Tenn.	12.2

(Continued on page 24)

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Funds ...

American Natl., Austin, Texas	11.9
Manufacturers Hanover, N.Y.	11.8
First Jersey Natl., N.J.	11.7
American Security, D.C.	11.7
Allied Bank, Texas	11.6
Jefferson Trust, Ill.	11.5
Beverly Bank, Ill.	11.5
Pacific Mutual, Calif.	11.5
First of K.C., Mo.	11.1
United of Denver, Colo.	11.1
Bankers Trust B, N.Y.	11.1
Bank of New England, Mass.	11.0
Pittsburgh National	11.0
US Trust, N.Y.	11.0
Fidelity Union (Int), N.J.	10.9
Trust Co. of Florida	10.8
Centerre Trust, Mo.	10.8
Merchants Natl., Pa.	10.8
90-day Treasury Bills	10.8
First Wis. Natl., Madison	10.7
First Interstate of Calif.	10.7
First Kentucky Trust	10.7
Mercantile Trust, Mo.	10.7
First of Neenah, Wis.	10.6
Mid-State Bancorp, Pa.	10.6
Manufacturers Detroit, Mich.	10.5
First Bank, Milwaukee	10.4
Riggs of Washington	10.4
Bankers Trust A, N.Y.	10.4
Seattle Trust, Wash.	10.4
American National, Minn.	10.3
American Bank, Tenn.	10.3
Security-Peoples Trust, Pa.	10.2
Citizens Fidelity, Ky.	10.2
First of Maryland	10 1
Landmark Union Trust, Fla.	10.1
First Natl. of Commerce, La.	10.1
Indiana National Bank	10.0
Mercantile Safe, Md.	10.0
North Carolina Natl. Bank	9.9
American Natl., Chicago	9.9
Toledo Trust, Ohio	9.9
Marine Trust, Wis.	9.9
State Mutual Life, Mass.	9.9
Merchants Natl., Ind.	9.8
Wachovia Bank, N.C.	9.8
Intrawest, Colo.	9.8
Oregon Bank	9.8
First of Wausau, Ind.	9.8
First of Elgin, Ill.	9.8
BancTexas, Dallas	9.8
Summit & Elizabeth, N.J.	9.8
LBKL Index	**9.0**
Salomon Bros. Index	**6.6**

Ten-year returns

	%
Bank One Trust, Ohio	11.7
Hibernia National, La.	10.2
Commerce Union, Tenn.	10.1
Jefferson Trust, Ill.	10.0
Seattle 1st Natl., Wash.	10.0
Fourth Natl., Wichita, Kans.	10.0
First Merch., Richmond, Va.	9.9
California First Bank	9.6
US Trust, N.Y.	9.6
Manufacturers Hanover, N.Y.	9.5
Fidelity Bank, Pa.	9.5
Centerre Trust, Mo.	9.4
Texas Commerce	9.3
Bankers Trust B, N.Y.	9.1
Cigna Corp., Conn.	9.1
Allied Bank, Texas	9.1
Fidelity Union (Int), N.J.	9.0
Mercantile Trust, Mo.	8.9
First Kentucky Trust	8.7
Massachusetts Mutual	8.7
First Interstate of Calif.	8.7
First Wis. Natl., Madison	8.6
First of Neenah, Wis.	8.6
Mercantile Safe, Md.	8.6
First Jersey Natl., N.J.	8.5
Puget Sound Natl., Wash.	8.5
Oregon Bank	8.4
Manufacturers Detroit	8.4
First of Bartlesville, Okla.	8.3
United of Denver, Colo.	8.3
Crocker National, Calif.	8.3
Wachovia Bank, N.C.	8.3
American Natl., Chicago	8.3
American Bank, Tenn.	8.3
Bankers Trust A, N.Y.	8.2
Landmark Union Trust, Fla.	8.2
North Carolina Natl. Bank	8.2
First Natl. of Commerce, La.	8.2
Citizens Fidelity, Ky.	8.1
Third Natl., Nashville, Tenn.	8.1
American Fletcher, Ind.	8.1
United Virginia Bank	8.1
Comerica Bank, Mich.	8.1
United Missouri, K.C.	8.1
American Fletcher (Int Mat)	8.1
Summit & Elizabeth, N.J.	8.1
LBKL Index	**7.9**
Salomon Bros. Index	**6.4**

The next quarterly P.I.P.E.R. report will appear in the Aug. 8 issue.

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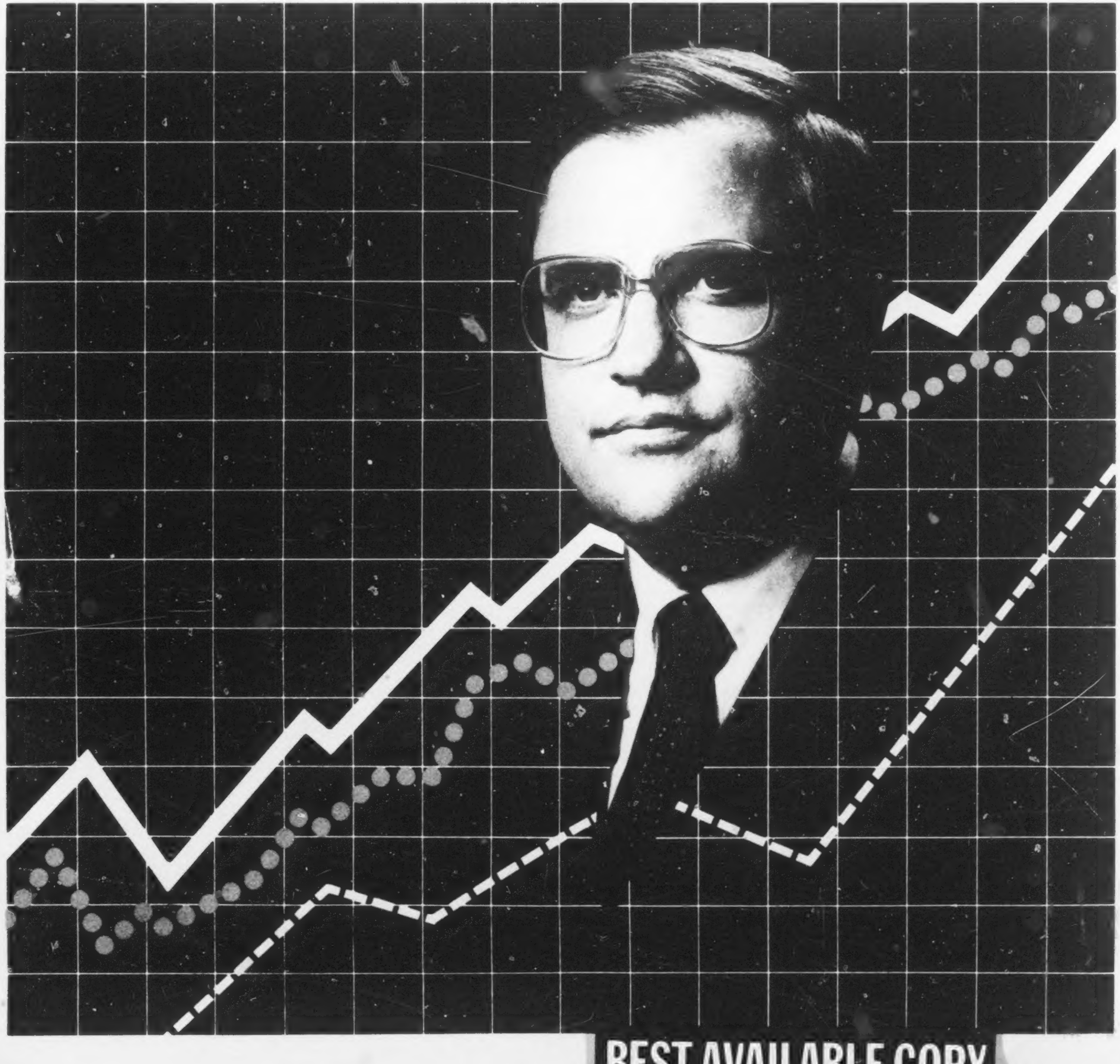

Metals prove sterling fruit for city fund

By Ivy Schmerken

SACRAMENTO, Calif.—Actively traded metals were the highest performing category for the Sacramento City Employees Retirement System for the year ending March 1983.

The $155 million public pension fund earned more than a 50% net rate of return investing in precious metals in that time period; the fund invests up to 1% of its assets in that area.

Assistant treasurer Philip Barach said in comparison the pension fund's stocks and bonds earned an annual return of roughly 30% in 1982.

The fund's asset mix for 1982 was 35% equities, 5% options, 2% real estate and about 58% fixed income.

On March 15, 1982, the pension fund, with total assets at that time of $140 million, committed 1% of the assets to gold and silver. The 50% return is an actual rate of return earned from that date to March 30, 1983.

Historically, gold and silver have outperformed stocks and bonds. One reason Sacramento's pension fund entered that market was the precious metals' 10-year track records.

The retirement board was influenced by a Salomon Bros. study that showed gold earned 28% and silver 21.5%, while stocks earned 5.8% and bonds 3.8% for the decade ending December 1980.

The board authorized the fund to invest $1.75 million in gold and silver.

It looked at the metals as something that could outperform stocks and bonds, and act as a hedge against future inflation and other negative factors.

Originally, 60% of the investment was devoted to silver and 40% to gold. That later was changed to 75% silver and 25% gold, and the pension fund now owns 20,000 ounces of silver and no gold.

The fund sold its entire gold position, 1,000 ounces, April 20-22, anticipating price declines. The price of gold was about $435 an ounce then, and is around $430 now.

A month before, Alaska's $740 million Public Employees Retirement Fund, also expecting price declines, sold 75,000 ounces—its entire position—for $414.25 an ounce.

Alaska announced when it sold the gold that it would not invest further in metals.

Sacramento, however, will.

The pension fund invests in both gold and silver, unlike Alaska, which owned only gold and futures contracts.

Since its inception, the investment program has been geared more to silver than gold, because the silver to gold ratio is cheaper, and because silver has less downside potential, said Mr. Barach.

The pension board went into the hedge understanding there would be losses and gains, said Mr. Barach.

The trades are internally directly but executed by brokers. Mr. Barach and his boss, City Treasurer Thomas P. Friery monitor the screen of the Commodity Exchange of New York all day.

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Cash Management

Companies polled had $47.6 billion

Fortune 100 firms' holdings grew 2% at year-end 1982

By Richard J. Gillespie

NEW YORK—Ninety-six Fortune 100 corporations held $47.6 billion in cash, marketable securities and time deposits at year-end 1982, a 2% increase from $46.7 billion the previous year.

Data on the Fortune 100, which is supplied by Wright Investors' Service of Bridgeport, Conn., and taken from balance sheets and 10K reports filed with the Securities and Exchange Commission, showed McDonnell Douglas Corp., General Dynamics Corp., Union Pacific Corp., United Brands Co. and R.J. Reynolds Industries had the five largest increments in cash and marketable securities holdings for the calendar year.

At the same time, U.S. Steel, Anheuser-Busch Cos., Continental Group Inc., Boeing Co. and Standard Oil Co. (Ohio), had the five largest decreases in overall holdings.

Experts warn the figures should not be taken in isolation when evaluating companies. Corporate cash and short-term investment portfolios fluctuate wildly in size during the year.

The 96 companies in the Fortune 100 are ranked by cash holdings; data on the remaining four companies either is unavailable, or included in companies that have become parent organizations.

The gyrations reveal fundamental and economic cyclical changes, as well as cash flow requirements related to operations and acquisitions.

With a combined total of $12.8 billion at year-end 1982, the five largest Fortune corporations ranked by sales—Exxon Corp., Mobil-Oil Corp., General Motors Corp., Texaco Inc. and Standard Oil Co. of California, showed a combined cash increment of 15% for the year.

The five smallest corporations, excluding Agway Inc. for which figures are not made available, saw a 36% decline to $312 million. These included American Brands Inc., Anheuser-Busch, Owens-Illinois Inc., Champion International Corp. and United Brands.

"Cash increased in most balance sheets because capital spending plans were cut back quite dramatically last year, while cash flows actually started to increase after the first quarter of 1982," said Philip Rodilosso, who is head of equity investments at Bankers Trust in New York.

"Plus there were a lot of divestitures and liquidations, that sort of thing, which raised cash as well.

"Also, 1981 had all the blockbuster mergers which would have been the opposite side of that, using up cash," he said.

"But the portfolio holdings alone don't really tell you anything. It is only a snapshot in time. The portfolios may have been significantly different on Dec. 15."

The five biggest increases in cash position were:

- **McDonnell Douglas'** holdings were up to $287 million from $15 million in 1981, an 1,813% increase.

"We have a very lumpy cash flow," joked Marie Graziano, manager of treasury administration, explaining the gain resulted primarily from a Department of Defense payment on the KC-10 military transport. It was received in December.

The money is held in very short-term investments. It was earning between 8.5% and 9% last April invested in repurchase agreements, government securities, Treasury bills and money market instruments supplied by the corporation's 17 credit line banks.

- **General Dynamics'** cash, marketable securities and time deposits rose to $98 million from $14 million, a year-on-year increase of 607%.

A spokesman said he could not comment because of the "confidential nature" of the company's work.

- **Union Pacific** saw cash holdings rise to $455 million from $75 million at the end of 1981, a 507% gain attributed to the merger with Missouri Pacific at the end of December.

"We took over all the cash they had on their balance sheet. It had nothing to do with the operations of the company, or the generation of cash," according to James Leahy, assistant treasurer.

- **United Brands**, up 367% to $28 million from $6 million reported in

Continued on page 42

Cash Holdings of Fortune 100 Corporations

Company	Holdings as of 12/31/82 ($ million)	% change from 1981	Company	Holdings as of 12/31/82 ($ million)	% change from 1981
Exxon Corp.	3,884	12.6	Dow Chemical	183	96.8
IBM	3,300	62.6	Owens-Illinois	181	−42.9
General Motors	3,126	136.6	Allied Corp.	176	−2.8
General Electric	2,587	4.7	W.R. Grace	165	96.4
Texaco Inc.	2,304	−18.9	Standard Oil (Ohio)	163	−65.7
Standard Oil (Cal.)	1,873	25.7	Union Carbide	154	−39.1
Mobil Corp.	1,675	−18.1	Minnesota Mining	150	−2.6
Ford Motor Co.	1,555	−26	ITT	141	−1.4
Litton Inds.*	1,382	19.2	Borden Inc.	131	0
Standard Oil (Ind.)	1,360	99.7	United Tech.	122	−27.4
Gulf Oil	1,225	−11.5	Bethlehem Steel	120	−54.6
Rockwell Intl.	1,042	−38.4	Signal Cos.	118	−22.4
Eastman Kodak	1,018	−9.3	Ralston Purina	109	211.4
Du Pont Co.	999	−14	TRW Inc.	105	−40.3
Chrysler Corp.	897	121.8	American Can	104	−39.9
Raytheon Co.	820	31.4	Amerada Hess	100	−54.3
Phillips Petroleum Co.	793	−11.4	Dresser Ind.*	100	−34.2
Atlantic Richfield	775	51.4	General Dynamics	98	607.3
International Paper	677	41.3	Sperry Corp.	95	79.3
Procter & Gamble	664	−0.3	General Mills**	94	62
Xerox Corp.	616	44.3	Consolidated Foods****	92	−37
Colgate-Palmolive	573	28.5	Goodyear Tire	83	15.3
Occidental Petroleum	572	127	Caterpillar	81	0
Sun Company	565	−2	Alcoa	80	9.6
Westinghouse	542	−21.9	RCA Corp.	76	−56.6
U.S. Steel	536	−77.3	Armco	75	−49.3
Nabisco Brands	489	128.5	Coastal Corp.	67	−13
American Home Prod.	474	−35	Continental Group	66	−70.1
Dart & Kraft	473	165.8	Republic Steel	66	43
Getty Oil	471	2.6	CPC Intl.	65	−19.8
Union Pacific	455	506.7	Charter Co.	60	−13
Texas Instruments	420	180	Champion Intl.	57	7.6
Monsanto	414	−2.8	Philip Morris	54	17.4
Gulf & Western*	397	−16.1	Deere & Co.*	52	−23.5
Beatrice Foods**	385	−32.6	Tenneco Inc.	45	−40.8
Johnson & Johnson****	366	−14.3	Georgia-Pacific	36	20
Firestone Tire*	316	−16.4	Lockheed Corp.	35	−31.4
Honeywell	316	8.6	United Brands	28	366.7
LTV Corp.	312	121.3	American Brands	24	60
Boeing	294	−68	Greyhound	23	−42.5
McDonnell Douglas	287	1813.3	Anheuser-Busch	22	−76.6
General Foods****	284	17.4	Farmland Inds.***	20	−56.7
Reynolds Industries	282	362.3	IC Industries	20	17.7
Pepsico	280	17.2	National Steel	18	−51.8
Union Oil, Calif.	280	16.2	Agway[1]	na	na
Coca-Cola Co.	261	−23.2	Batus[2]	na	na
Intl. Harvester	259	−34.3	Bendix Corp.	148	74.1
Shell Oil	257	−29.4	Cities Service[3]	na	na
Ashland Oil	246	−29.9	Western Electric[4]	na	na
Weyerhaeuser	185	76.2	Marathon[5]	na	na

*Quarter ended 10/31/82
**Quarter ended 11/30/82
***Quarter ended 8/31/82
****Quarter ended 1/1/83

[1] Privately held corporation which does not make its figures public.

[2] Sub of the British company, British-American Tobacco (BAT). Figures not yet released.

[3] Figures included under Occidental Petroleum, now parent company.

[4] A subsidiary of AT&T which is not a Fortune 100 corporation.

[5] Figures included under U.S. Steel, now parent company.

Compiled by Hari Kapadia, Wright Investors Service, Bridgeport, Conn.

Fed prepared to introduce full pricing on check float

WASHINGTON—The Federal Reserve Board is ready to introduce full pricing on all its check processing float by Oct. 1, according to Lorin Meeder, associate director of Federal Reserve Bank operations.

Federal Reserve commentators have said the effective cost to banks of using the Fed's check processing services could rise by 20% to 30% when all the Fed's check float is priced out, a requirement of the 1980 Monetary Control Act.

At a meeting April 27, the board also decided to put out for public comment criteria for listing non-city point banks for noon presentment. The public comment period is expected to push the schedule for introducing noon presentment to non-city points back to about September, Mr. Meeder said.

Noon presentment has been taken by some bankers as a sideswipe at controlled disbursement, a lucrative banking service to corporations.

The board also decided how to price the Fed float that arises from high-dollar return items, midweek bank closings and bank holidays, local (or intraterritory) deliveries and adjustments to cash letter shipments. The pricing changes all will be implemented by Oct. 1, he said.

On return item float, the board switched to a policy deferring credit on checks to the institution returning it. The Fed originally proposed charging the bank that had sent it for collection using the Fed's wire transfer system, Fed Wire.

"That was the subject of severe criticism in the public comment period, and accordingly, we revised the proposals and adopted an availability schedule," Mr. Meeder said.

Cash notes

College chiefs warned

HARRISBURG, Pa.—State Treasurer R. Budd Dwyer has cautioned state-supported colleges against permitting alumni associations to offer members a credit card service run by an out-of-state bank.

In a letter to the college presidents, Mr. Dwyer said at least one association had sent out an advisory letter urging members to do credit card business with a Maryland bank that has a credit card operation in Delaware, a state with more liberal banking laws.

"Pennsylvania financial institutions provide jobs for Pennsylvania's economy and pay taxes to the Commonwealth of Pennsylvania, which in turn provides a large portion of the operating costs of Pennsylvania's state-supported institutions of higher education," Mr. Dwyer said.

Last June, the treasurer began firing Pennsylvania banks whose holding companies moved credit card operations to Delaware.

He ditched a $38,000 service offered by Girard Bank, and ended a $5,000-a-month security handling service Philadelphia National Bank had with the commonwealth.

Money market reports

CHICAGO—The Bank Administration Institute has introduced on-line money market instrument reporting through its interbank electronic videotext information network, InnerLine.

The new service, Money Market Monitor, reports current money market rates based on a sampling of 200 financial institutions selected at random. It was developed by Whittle Raddon Motley & Hanks Inc., a Chicago financial marketing firm.

Also included will be the rates offered by CDx, an automated exchange for federally insured certificates of deposit operated by Harvey Baskin & Co., a Washington-based firm.

The Money Market Monitor reports averages of rates taken nationally, regionally and by size of institution. It also provides trend analysis and a weekly commentary.

Rates now available on-line to InnerLine member banks include those on SuperNows and money market investment accounts and one-month, 2½-year and 3½-year certificates.

Although transactions cannot be undertaken through InnerLine itself, participants are invited to list how much they are prepared to buy or sell, rates and maturities. The relevant contact officer and telephone number for further inquiries also flashes on the InnerLine screen.

InnerLine, developed jointly by the Bank Administration Institute and American Banker, provides 28 services including financial news, analysis, financial reports and electronic mail.

SEC rule amended

WASHINGTON—The Securities and Exchange Commission approved a rule change allowing broker-dealers to issue monthly rather than immediate transaction confirmation statements to money market fund clients.

At the same time, the change requires them to disclose additional

Continued on page 40

Cash holdings . . .

Continued from page 39

1981.

The change meant very little, said Herman Beltzer, vice president and treasurer, particularly since United Brands reports on a fiscal year ending June 30.

Christmas is a crucial time in the meat business, he said, and added $28 million was closer to the norm.

• **R.J. Reynolds Industries** showed cash and short-term investments at $282 million, up 362% from $61 million shown in 1981.

Robert Bennett, assistant treasurer said the figures were misleading. At year-end 1982 and year-end 1981, short-term investments and cash actually totaled $313 million and $255 million respectively, he said.

The reason for the confusion was that some funds had been ascribed to the capital construction fund, as the result of an agreement for the U.S. Navy to purchase eight SL-7 container ships, six in 1981 and two in 1982.

In addition, the merger between Reynolds Industries and Heublein Inc. took place in 1982, and the annual report showed the fully consolidated company statement.

He said the funds were not exactly invested now. The corporation had received permission from the Maritime Administration to purchase the accounts receivable of affiliated companies at a discount.

The funds are earning interest, pegged to the prime rate and paying more than current money market rates, he said.

The five largest decreases in holdings included:

• **U.S. Steel**, where cash and marketable securities fell to $536 million from $2.36 billion held at year-end 1981, a decline of more than 77%.

Most of the drop resulted from the acquisition of Marathon Oil Co., according to John Richmond, assistant treasurer.

• **Anheuser-Busch**, whose holdings scored the highest percentage increase of the industrials from third-quarter year-on-year results, ended the calendar year with the second greatest decrease, a 76.7% decline to $536 million from $2.3 billion.

The acquisition of Campbell Taggart was the principal reason for the swings, according to Gerald Thayer, treasurer.

The brewing concern conducted a financing in 1981 and held the funds into the first quarter of 1982. The war chest earmarked for the acquisition of Campbell Taggart swelled its coffers, he explained.

Anheuser-Busch also has a fairly significant seasonal working capital needs. Typically, it will build its beer inventories up during the spring in readiness for the summer season, at which time it will extend credit to wholesalers.

• **Continental Group** holdings fell to $66 million from $221 million recorded on the 1981 balance sheet, a 70.1% drop. A company representative could not be reached for comment.

• **Boeing**, whose cash and short-term investments fell 68% to $294 million from $920 million reported in 1981. This resulted primarily from developing the 757 passenger aircraft, according to a company spokesman.

"If we have less cash to invest, it's because we have had a hell of a negative cash flow," according to the spokesman, who added cash had been as high as $2.4 billion prior to 1981, before Boeing started on the 757 program.

• **Standard Oil (Ohio)** recorded holdings of $163 million in 1982 compared with $475 million in 1981, a drop of 66%.

"There was nothing special in 1982," commented a spokesman. "It was just cash flow." ▪

'82 tax law criticized

BROOKFIELD, Wis.—The Tax Equity and Fiscal Responsibility Act of 1982 will force companies to make drastic changes in their pension and profit-sharing plans, according to a recent article in Newsbriefs.

Newsbriefs is the publication of the International Society of Certified Employee Benefit Specialists.

Written by Bernard Handel, a certified employee benefit specialist, the article claims the law will require virtually every business and institutional enterprise to review existing plans.

High-earning executives and professionals will find the amount of deductible contributions applicable to their individual pensions reduced, the article said.

Under the new law, maximum limitations have been instituted for defined benefit and defined contribution plans.

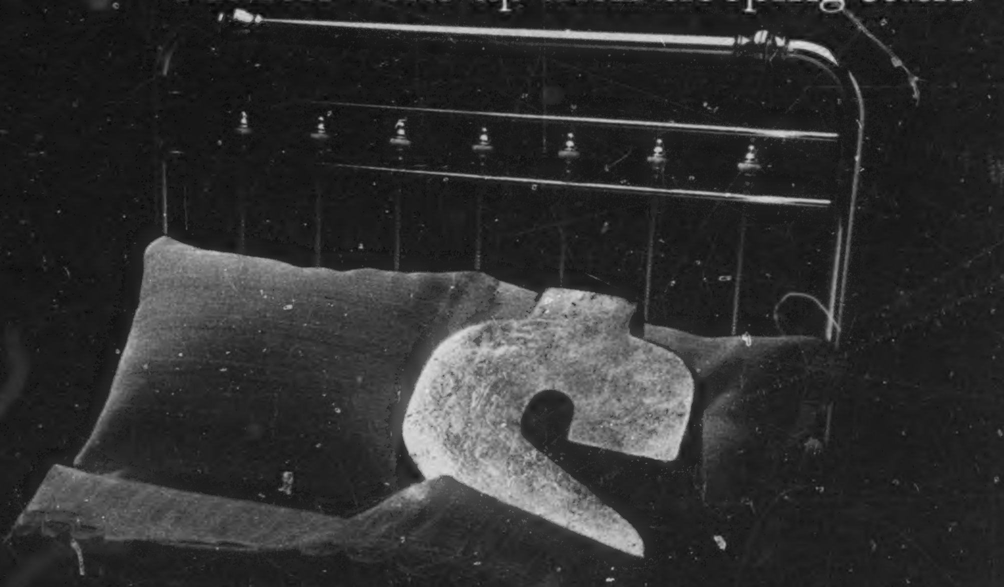
The rules have the most impact on top-heavy plans and as a result, middle- and lower-income employees of some companies might benefit, according to Mr. Handel. However, he points out, some companies might cut benefits for all employees in order to comply with key personnel rules.

In his March article, Mr. Handel said the new top-heavy rules will restrict maximum benefits and escalate vesting for all employees of small- and medium-sized corporations. There will be a limitation on the retirement date that might penalize executives who withdraw money from pension plans before being 59½ years old.

If the plan is top-heavy, the same limitations apply if the owners disincorporate and revert to sole proprietorship or partnership status, Mr. Handel said; if more than 60% of the benefits in the pension plan are applicable to key employees, the same rules apply.

Mr. Handel said the restrictions will start in 1984 and apply to any top-heavy plan. Free copies of the article are available by contacting the Public Relations Dept., ISCEBS, P.O. Box 209, Brookfield, Wis. 53005; (414) 786-8771. ▪

When a national hotel chain had problems concentrating funds, Mellon woke up their sleeping cash.



This company was trying to concentrate its cash from over 1,000 locations, but still had pockets of money that were dozing every day.

The problem: Not all the company's hotel and restaurant managers could be counted on to report their daily balances at the prescribed time. That meant significant amounts of the company's cash slept overnight in local bank accounts.

Mellon's solution: Set up a system for early deposit reports. Each manager calls in an early report to Mellon. We consolidate the data and relay it to the company's headquarters.

If an individual manager doesn't call in . . . no problem. Headquarters knows of the missing report early enough to contact the manager or to give Mellon an estimated balance based on historical averages for that location. Now virtually every dollar of the company's cash is concentrated by the end of each day. No napping.

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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • May 30, 1983

DOL declares war on misuse of assets

Fund use in takeovers spurs action

By Joel Chernoff

WASHINGTON—The Department of Labor has declared it will crack down on the misuse of pension plan assets in corporate takeovers.

In the past two years, a number of companies, including Grumman Corp., Harper & Row Publishers Inc. and Bendix Corp., have taken actions involving their pension funds to forestall or attempt to forestall attempted takeovers.

With non-insured private plans holding at least 11.5% of all corporate stock (according to Federal Reserve estimates) and that share promising to grow steadily, the department believes it had better assert itself now.

In its lone major victory to date, the department obtained a strongly worded preliminary injunction against Grumman trustees for directing the company's pension fund to buy up company stock to help avert a takeover by LTV Corp. That case is now being tried on its merits.

More recently, it accused Dallas investor Harold Simmons with directing the investments of a host of funds to gain control over other companies (*for details on the suit, see page 4*).

Responding to a situation that Labor Secretary Raymond J. Donovan himself has made a priority, the department has developed two broad policies to deal with some—but hardly all—of the issues raised.

Both policies concern plans that hold employer stock and must decide whether to tender the shares to an aggressor company.

One policy holds the fiduciary must consider the merits of a decision to sell and cannot hide behind plan provisions forbidding or restricting sale.

The second says fiduciaries can't avoid their responsibilities by turning over the investment decision to plan participants.

"The department cannot eat

Continued on page 48

Did overfunding sweeten bid?

Occidental ends 4 plans to reduce takeover debt

By Nancy Webman

LOS ANGELES—Occidental Petroleum Corp.'s decision to terminate four pension plans and use the excess assets to reduce the company's debt indicates a growing trend in the use of pension assets as a corporate finance tool.

Occidental announced last week that it is terminating three of its and one of Cities Service Co.'s pension plans for salaried employees, and is using about $250 million in excess assets to reduce the debt Occidental incurred when it took over Cities Service last year, a takeover that carried a $4 billion price tag.

What sets this apart from similar terminations and reversions is Occidental's use of the pension assets of the acquired company to lessen the financial hardship resulting from the takeover.

Although company officials deny it, those familiar with the takeover say the overfunded Cities Service plan was at least a sweetener in Occidental's decision to acquire the Tulsa, Okla., company.

They point to the amount of Cities Service pension assets that will revert to Occidental as proof that the overfunding was a consideration.

Documents filed with the Pension Benefit Guaranty Corp. by Occidental show $150 million—or 60%—of the $248 million in excess assets that will revert to Occidental will come from the $462 million Cities Service Co. Salaried Retirement Income Plan, which is being terminated.

The Cities Service pension fund accounts for 63% of the $726.5 million in assets of the four plans to be terminated.

However, two Occidental officials—Melvyn Gilman, assistant treasurer, and Frank Ashley, direcor of communications—said the Cities Service pension assets played no role in their company's takeover decision.

Mr. Ashley said the takeover was prompted by Cities Service's "domestic reserves and how they fit into our long-range plans." He said the decision to terminate the four plans and set up a defined contribution plan in their place was made for "consolidation in the oil and chemical area. We had to have uniformity to move people around."

But pension attorney Leon Irish contends strategists now look for overfunded pension plans when evaluating possible takeover targets.

Mr. Irish said being overfunded increases the exposure to takeover because the excess assets are viewed as prime sources for reducing debt and boosting net income. (Conversely, some companies have had to pump money into underfunded pension plans to make the companies more attractive to potential buyers.)

Occidental has asked for PBGC and Internal Revenue Service approval to terminate the plans June 1. At least seven other pension funds, most of them Cities Service's, will remain untouched.

Continued on page 46

Advisers sell AMC stock contributed by company

By Kimberly Blanton

AMC's Fromm: share price doubled

SOUTHFIELD, Mich.—Investment managers of the American Motors Corp. pension fund sold 1.987 million shares of an AMC stock contribution to two investment banking firms.

Five of the AMC fund's managers sold the shares at a bid from the investment bankers of $10 per share after brokerage commissions, for a total of $19.87 million.

The share price received for the block was almost double their value when the contribution was made.

Lazard Freres & Co. and Lehman Brothers Kuhn Loeb Inc., underwriters for the original public offering, purchased the shares.

The shares the managers sold were part of a 3.3 million-share contribution the automaker made to its $300 million fund in April. The entire 3.3 million-share contribution was valued at $17.6 million, or $5.425 per share.

The stock contribution supplemented AMC's $57 million 1982 contribution, which typically is made in cash.

Chase Investment Management Corp. sold the largest amount of AMC stock, 1 million shares; Morgan Guaranty Trust Co. sold 468,000 shares; BA Investment Management Corp., 319,000 shares; U.S. Trust Co. of New York, 150,000 shares; and Fayez Sarofim & Co., 50,000 shares.

The amount of stock AMC placed

Continued on page 49

Asbestos claims fund may get Manville assets

By Nancy Webman

DENVER—Creditors apparently are pressing Manville Corp. to use excess pension assets to help finance an asbestos damage claim fund.

The large number of asbestos damage claims against the company was largely responsible for Manville's Chapter 11 reorganizing filing last fall.

Under the proposal, the company's four pension plans likely would be terminated and the excess assets put in the coffers of a $1.6 billion asbestos claim fund, sources said.

The proposed reorganization calls for spinning off Manville's non-asbestos operations into a new company. This new company would pump some money into the fund to pay the asbestos injury and disease claims.

Although no one will confirm or deny it, the proposal to use the excess assets to help pay asbestos claims seems to have originated with the creditors, and not with Manville.

Attorneys for the creditors said Manville "is not pleased" that the creditors "discovered" the overfunding.

Earlier media accounts said up to $200 million in excess pension plan assets was to go into the asbestos claim fund. However, Manville officials will not discuss the subject, except to say that those earlier media accounts of the amount of the pension plan overfunding they would use for the claims "are wrong."

A Manville spokesman said no specifics will be released until a formal reorganization plan is drafted or until the bankruptcy court permits the company or the creditors to release the numbers.

Although it is not known how much of the pension assets would

Continued on page 49

Late news

PBGC pilot program

LOS ANGELES—The Pension Benefit Guaranty Corp. is expected to start a "pilot program" with Leland O'Brien Rubinstein Associates July 1 that will test a portfolio protection or "portfolio insurance" strategy.

The Los Angeles-based firm would design the strategy to meet the "PBGC's unique requirements," according to a firm spokesman.

No one from the PBGC was available to confirm the program or give further details.

DOL shakeup seen

WASHINGTON—Labor Department officials are considering folding parts of the pension program into a labor-management program, downgrading the U.S. pension administrator's post and eliminating 50 of 209 positions in the national office, government sources confirmed.

The changes "would severely damage the program," according to one pension attorney, and could conceivably damage the fiduciary standards area.

According to sources, Ronald St. Cyr, acting assistant secretary for labor-management standards administration, which oversees the pension program, unveiled the plans at a meeting in New Orleans. Pension program personnel were excluded from the meeting.

Mr. St. Cyr's office declined to comment. However, some doubt little will change until a new head of the labor-management program is named.

Sources say several candidates are being considered.

Continued on page 2

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New challenge to management

Pension funds are big guns in corporate proxy battles

By Steve Hemmerick

LOS ANGELES—Management's loss to dissident Superior Oil Co. shareholders highlights the growing trend among institutional shareholders to flex their muscles—often against management—in proxy fights.

The trend could mean corporate managements will find themselves increasingly under not only a more critical eye but a more sophisticated one that is often interested primarily in bottom-line performance.

> *Managements will be under a more sophisticated eye, one interested primarily in the bottom line*

In the Superior Oil fight, institutions were strong supporters of a resolution requiring that acquisition offers for more than 45% of Superior's shares be examined by a committee of three outside directors. It was presented by Willametta Keck Day, daughter of the founder of the oil company, and opposed by management.

Superior Oil said the resolution apparently has won approval.

Among those supporting the resolution were the Maryland State Retirement Systems, which held 231,700 shares, and the North Carolina Retirement System, which voted its nearly 250,000 shares in favor of the proposal, according to directors of those pension systems. An executive with CMB Investment Counselors said his firm voted an undisclosed number of Superior Oil shares with Ms. Day.

Other institutions reportedly voting for the resolution were United States Steel pension fund, Morgan Guaranty Trust Co., Eberstadt Asset Management, Citibank, Wells Fargo Bank and the College Retirement Equity Fund.

Other proxy fights have seen institutions lined up against management as well.

Continued on page 45

Atlantic Financial is sued by investors over losses

By Pavan Sahgal

BOSTON—Three employee benefit funds and other investors are suing Boston-based Atlantic Financial Management, charging it was responsible for the loss of between $4 million and $10 million.

The pension or profit-sharing funds of Star Textile & Research Inc. of Albany, N.Y., Unitrode Corp., Lexington, Mass., and Robert Half of Boston Inc. and its affiliates in Rhode Island, Connecticut and New York are in the group of investors bringing the suits, which now number 11.

The brokerage firm of A.G. Becker and Atlantic Financial's brokerage affiliate also have been named in the suits.

Atlantic Financial, one of the best performing managers of 1981, had about $100 million under management about a year ago. As of March 31, 1983, its total assets under management were less than $3 million, for about 15 accounts.

In the suits, the investors claim Atlantic Financial invested an excess amount of their assets in AZL Resources, an oil stock, as a result of which they suffered losses.

A.G. Becker was named in the suits because, the plaintiffs charge, it should have been aware of the activities of Atlantic Financial and reported them to the investors.

Becker has moved to dismiss the claims against it. The brokerage firm claims the case involves action against an investment adviser and that it did not engage in any activities other than those "customarily performed by clearing brokers."

Meanwhile, the Massachusetts Securities Division has brought proceedings against Atlantic Financial Management; its brokerage affiliate Tuton, DiIanni & Draizin; its three principal officers Robert DiIanni, Edward H. Tuton and Stephen S. Draizin; and a research analyst, Richard Keim. Mr. Keim no longer works at the firm.

"We think investors were defrauded, and we are going to prove it," said James M. Carabina, chief enforcement counsel for the securities division.

In a telephone interview with *Pensions & Investment Age*, Mr. DiIanni disputed the charges in the suits.

"My contention in all this is that our clients knew about it because you cannot buy the number of shares that we bought over a couple of years' time without anybody knowing about it but me," he said.

"Obviously there are confirmation statements, brokerage reports and quarterly reports that go out.

"But more importantly, and the key item in all this that people don't bring out for obvious reasons, is that I believe everybody was made aware of the concentrated position. And not only were they made aware of it, but they were told that this was an extraordinary kind of act on our part, that it was not a normal way of procedure,

Continued on page 47

Directory

Pensions & Investment Age has mailed out questionnaires for its directory of Canadian investment management firms.

The directory, which will appear in the July 25 issue, includes asset amounts managed by each firm and a description of each firm's investment management style.

The listing is designed for Canadian pension funds and for U.S. pension executives with responsibilities for the investment operations of their Canadian subsidiaries.

Any Canadian investment firm that has not yet received a questionnaire and wishes to be included should call **Michael Clowes**, editor, at **(212) 210-0121**.

Deadline: June 20, 1983

Late news

Continued from page 1

Statute struck down

SAN FRANCISCO—A federal appeals court has ruled the retroactive provisior of the Multiemployer Pension Plan Amendments Act is unconstitutional.

In the first appellate ruling on the issue, the 9th Circuit Court of Appeals said the act violated "due process" rules.

The provision requires withdrawal liability payments from employers who left underfunded multiemployer plans between April 29, 1980 and Sept. 26, 1980, when the bill was signed.

Armco to give stock

MIDDLETOWN, Ohio—Armco Inc. filed on May 24 with the Securities and Exchange Commission to make a contribution of 1 million shares of cumulative, convertible, preferred stock to its pension fund to supplement its usual cash contribution, a spokesman confirmed.

The steel company has not yet decided on the terms of the stock to be contributed, including yield, rate of conversion to common and price, the spokesman said.

Goldman Sachs & Co. will consult the firm, and is considering a value of $50 per share, or $50 million total.

Legislation pending

AUSTIN, Texas—Legislation to reduce temporarily the state's contribution to the Teacher Retirement System of Texas has passed the House and is expected to clear the Senate as well.

Supporters say the state will save $220 million in the next two years by reducing the state contribution from 8.5% to 7.1% of payroll. Employee contributions also will be lowered.

In the process, the system's amortization period will increase to 26 years from 17.

Security Asset closes

NEW YORK—Security Asset Management, formerly Hedged Portfolio Advisors, closed its doors and liquidated accounts in early May, according to Robert Brewer, senior vice president of Security Asset Management. Mr. Brewer and John Victor, another Security Asset professional, have formed Security Capital Management, which will offer risk-controlled fixed-income products.

Global firm started

HARTFORD, Conn.—Aetna-Montagu Asset Managment was registered as an investment adviser with the Securities and Exchange Commission on May 16.

Utah state allocates

SALT LAKE CITY—The $1.5 billion Utah State Retirement System allocated $50 million to Atalanta/Sosnoff Capital Corp., New York, for equities and $50 million to an in-house equity fund, according to Dan W. Smith, investment officer. In addition, Wasatch Advisors, Salt Lake City, received $20 million for equities in April. The funds came from TCW Asset Management Co., Los Angeles and Eagle Management & Trust Co., Houston, which were dropped in February.

Money movers ...

- MILWAUKEE—The $204 million Wisconsin Electric Power Co. pension fund has hired Lehman Management Co., New York, as an active bond manager for $23 million, according to Gordon Willis, assistant treasurer.
- FAIRFIELD, Conn.—The Common Fund has selected Capital Guardian Trust Co., Los Angeles, Rowe-Price Fleming and Grantham, Mayo, Van Otterloo, Boston, to run a $25 million pooled international equity fund, according to George F. Keane, president. The Common Fund pools $1.235 billion for investment on behalf of college endowment funds.
- BALTIMORE—The nearly $700 million Marine Engineers Beneficial Association pension fund has hired Lazard Freres Asset Management to manage $100 million in U.S. securities. Kleinwort, Benson International Investment Ltd., London, was hired to invest $40 million in international markets outside the United States.
- COCKEYSVILLE, Md.—Easmet, a stainless steel manufacturer, appointed Continental Illinois National Bank and Trust Co. of Chicago to serve as master trustee of the corporation's five employee benefit plans totaling $25 million, according to Harvey M. Rosenfeld, vice president and manager of the bank's employee benefit plans division.

People changes ...

- NEW YORK—P. Don Lattimer, senior vice president and chief investment officer for Chase Investors Management Corp., is leaving the bank to become a partner in Crossroads Capital, a venture capital limited partnership.
- CHICAGO—Anthony P. Wilson has left Continental Illinois National Bank and Trust Co. after only a few months in his position as vice president, business area and head and sales manager for employe benefit managed accounts. His plans are undecided.

Raymond O. Wicklander Jr., a vice president in the personnel department, will replace him.

DOL halts publication

Social investing issue blasted in new study

By Joel Chemoff

WASHINGTON—A new controversial study commissioned by the Department of Labor—and later withdrawn by it—broadly condemns social investing practices while lashing out at the nations' unions.

The study states that in addition to being illegal under the pension law, social investing practices encourage investment in non-efficient businesses, distort capital markets and are sought as tools by unions.

The study says social investing eventually could lead to the socialization of private pension funds or turn the United States into " 'a highly centralized corporate state' dominated by the officialdom of the AFL-CIO and its member-unions."

The study drew angry responses from the AFL-CIO, and it was withdrawn before it was released officially.

"This study is basically an anti-

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Vol. 11, No. 11—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

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International

U.S. Trust top fund with 8.5%

By Ivy Schmerken

NEW YORK—U.S. Trust Co.'s international equity fund earned an 8.5% rate of return for the quarter ending March 31, beating all bank international commingled funds measured by Pensions & Investments' Performance Evaluation Report.

U.S. Trust also beat the Capital International's Europe Australia Far East index, which earned a 5.9% return during the first quarter; for the year ending March 31, it returned 29.6%.

Centerre Trust Co.'s international Fund W earned second place for the latest quarter, with a 7.5% return; its yearly showing was also in second place, at 32%. The St. Louis bank retains Morgan Grenfell Investment Services Ltd. to manage the fund from London.

First National Bank of Chicago's dollar fixed-income fund and Chase Manhattan Bank's global equity fund tied for third with 5.9% returns during 1983's first quarter.

However, First of Chicago's fund was the top performer of all pooled foreign funds for the year ending March 31, with a 33.2% return, double 18.6% return scored by the Capital International EAFE index. The First of Chicago fund invests in dollar-denominated Eurobonds and Yankee bonds.

Morgan Guaranty's dollar fixed-income fund also performed well for the year, with a 31.4% return, the third-highest; for the quarter, it returned 3.5%.

Other fixed-income funds did not fare as well.

First of Chicago's non-dollar fund earned -0.7%, followed by Bank of America's international fixed-income fund with -1.4%; Citibank's foreign fixed income fund, -2.4%; and Morgan Guaranty Guaranty's non-dollar fixed income fund, -2.6%. The same funds earned positive double-digit returns for the year. For the 12 months ended March 31, Morgan Guaranty's earned 21.1%; First of Chicago's non-dollar fixed-income fund earned 15.7%; Bank of America, 13.2%; and Citibank, 11.1%.

Other international equity fund returns for the quarter were Citibank, 5.2%; Fidelity Management Trust's equity fund, 4.5%; Morgan Guaranty Trust Co.'s equity fund, 4.4%; First of Chicago's equity fund, 4.1%; Bank of America's equity fund, 3.5%; and Crocker National Bank's equity fund, 3.4%. For the year, international equity fund returns were Morgan Guaranty, 25.6%; First of Chicago, 23.4%; Citibank, 23.3%; Chase Manhattan, 19.1%; Bank of America, 13.6%; and Crocker National Bank, 8%.

P.I.P.E.R. ranks the returns of 17 international equity and fixed-income funds run by 11 institutions. Because of the

Continued on page 31

$7.7 billion in foreign stocks

$10.9 billion invested overseas

NEW YORK—U.S. tax-exempt institutions invested $10.9 billion in international markets through 90 U.S.- and foreign-based investment advisers as of Jan. 1, 1983.

According to a survey by *Pensions & Investment Age*, almost $7.7 billion of the total that sailed overseas was put into foreign equities, while about $2.8 billion was held in foreign bonds. The remainder was in cash and other investments.

The top 20 investment managers managed a little more than $9 billion in international assets for U.S. tax-exempt clients, a 23% increase from the $7.3 billion reported last year.

The increase indicated a substantial slowdown in the growth of assets moving overseas. During the previous year, international assets grew 46%; the year before that, the increase was 60%.

The international investment managers profiled were asked to list the five foreign markets in which they had their equity assets most heavily invested as of March 31, and to give the equity commitment to each.

Of the 56 firms that identified the countries in which they were invested most heavily, 54 listed Japan as receiving the greatest concentration of the assets.

The average commitment to Japan by these firms was 38% of their assets invested overseas, down 2% from the previous year.

Great Britain came in second on the international managers' lists of favorites: 47 managers had commitments in the United Kingdom with the average commitment at 13.3%.

The Netherlands attracted the investment attention of 45 managers, but the average commitment was only 9.7%.

Investments in Germany were made by 44 international managers; the average commitment was 12.8%.

Similarly, the 11 managers with investments in Canada had committed an average of 12.8% of their assets to the Canadian markets.

Twenty-three managers committed an average of 7.5% of their assets to Switzerland, while 12 managers committed an equal percentage to Australia; 12 committed 7.6% of their assets to Hong Kong.

Only nine managers had commitments in Sweden, averaging 7.1%; four had commitments to France, with the average at 7.2%; three committed an average of 6% to Hong Kong; and two committed an average of 48% to South Africa.

Top 20 Overseas Advisers

Rank	Asset Manager	1983 U.S. tax-exempt assets ($ millions)
1.	Fiduciary Trust Co.	1,700
2.	Morgan Guaranty Trust Co.	1,500
3.	TIAA/CREF	1,279
4.	G.T. Capital Management	534
5.	State Street Bank & Trust Co.	422
6.	Morgan Grenfell Investment Services	389
7.	Putnam International Advisors	377
8.	Citibank	310
9.	Rowe Price-Fleming International	293
10.	Templeton Investment Counsel	270
11.	Merrill Lynch Asset Management	257
12.	Warburg Investment Management	237
13.	Brown Bros. Harriman & Co.	230
14.	Fidelity International Investment	230
15.	Lombard Odier International	212
16.	Eberstadt Asset Management	166
17.	BEA Associates	150
18.	Capital Guardian Trust Co.	150
19.	The First National Bank of Chicago	150
20.	Ivory & Sime International	149
	TOTAL	9,005

As it did last year, Fiduciary Trust Co. of New York held the largest amount of U.S. tax-exempt assets for international investment. As of Jan. 1, 1983, the firm had invested $1.7 billion overseas for U.S. tax-exempt clients, a 23% decrease from $2.2 billion the year before.

Morgan Guaranty's international investment group in London placed second with international investments totaling $1.5 billion as of Jan. 1. Last year, the firm reported it managed $1.6 million overseas for U.S. tax-exempt clients. ▪

The global custody challenge

Banks plan to be ready and waiting when international investing comes of age

By Lynn Griffo

NEW YORK—Global custody, the safekeeping, record-keeping and accounting of international assets is easier said than done.

Still in its early stages, global custody for domestic pension fund clients is an area rarely understood by those not directly in the business.

Yet the field is expected to gain efficiency and importance as more pension funds look outside their own back yards for good investments, and more money managers offer a "global investment approach."

The complexities of global custody arise from dealing in securities from a half-dozen or more international markets, according to Malcolm Mitchell, vice president at InterSec Research Corp.

If sheer size is an indicator of expertise, the undisputed leader in global custody is Chase Manhattan Bank.

Chase has $10 billion in global custody assets, $4.5 billion to $5 billion of which comes from Employee Retirement Income Security Act clients alone. Moreover, Chase handles more than 50% of all the domestic assets invested abroad.

These statistics, however, do not intimidate other banks—including Bankers Trust, Citibank, Mellon Bank, Morgan Guaranty Trust, Northern Trust and State Street Bank & Trust—from getting a piece of the action because, in the long run, the stakes are high.

With $10.9 billion from domestic pension funds in international now, this number is expected to mushroom in the coming years.

The long-run stakes are high. The $10.9 billion in international now is expected to mushroom in the future.

Global custodians dream of having a computerized, on-line accounting system comes true. When that dream comes true, offering a global custody service will be very cost-effective. As a result, several banks are looking at global custody as an important service to provide for clients.

The banks in the business enjoy the advantages of a dearth of competition and the knowledge that it costs a tremendous amount of money to get into the business.

An added bonus is that if the bank can show a plan sponsor a good global custody product, once hired, it can pitch master trust capabilities if the company uses another master trustee.

There are three ways in which a plan sponsor usually picks a global custody bank. The sponsor uses its master trust or leading domestic custody bank; the sponsor asks its international money manager which bank to use; or the sponsor goes out and identifies a good custodian directly with the help of a consultant or by asking other plan sponsors.

The first two methods are the most commonly used today, partly because the choice of a global custody bank is viewed as a minor problem and a simple decision, according to InterSec's Mr. Mitchell.

Today, plan sponsors are not terribly fee conscious and they do not

Continued on page 32

InterSec median fund returns 4.98% in international universe

STAMFORD, Conn.—The median fund in InterSec's Non-U.S. International Equity Universe returned 4.98% for the period ending March 31.

That was below the Capital International Europe, Australia and Far East index return of 5.78% and the 9.99% return scored by the Standard & Poor's 500 stock index for the same time period.

The top fund for the first quarter in the InterSec universe returned 13.2%; the lowest returned 0.7%.

"If there was one single reason the funds underperformed the EAFE during the first quarter it was due to market selection," said Jim Waterman, vice president at InterSec.

"Some of the very small markets were the best performers, and managers tended to be underweighted there."

The median fund as of the end of March was weighted most heavily in Japan, with 44.3% of its assets in Japanese securities. This was a slight overweighting: Japan's market capitalization represents 43.4% of the total market value of countries included in the EAFE index.

Other weightings of the median fund: 2.4% in Australia vs. a 4.2% market weighting; 1.6% in France vs. a 3.4% market weighting; 12.2% in Germany vs. 9.6%; 4.4% in Hong Kong, vs. 2.5%; 8.9% in the Netherlands, vs. 2.8%; 1.3% in Singapore vs. 3.2%; 5% in Switzerland vs. 4.5%; and 11.4% in the United Kingdom vs. a 19% market weighting.

For the year ending March 31, the median fund return was 24.2%, compared with an 18% return for the EAFE index, and 44% for the S&P 500. The median fund continued to underperform the S&P 500 for the three-year period, with a 12.76% return compared with the index's 20.62%; however it outperformed the EAFE index, which had a 10.74% return for that period.

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Presented here are *Pensions & Investment Age's* profiles of 90 international investment management firms which invested more than $10.9 billion in international markets for U.S.-based institutions.

The facts and figures given here were developed by the editors from questionnaires sent to the leading international firms, both U.S.- and foreign-based.

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a

ABD International Management Corp.

One Battery Park Plaza, New York,
N.Y. 10004; (212) 952-7738

ABD International, a subsidiary of Dresdner Bank AG and Bayerische Hypotheken- und Wechsel-Bank AG, managed $55 million in U.S. tax-exempt assets internationally as of Jan. 1. Of that figure, $50 million was in foreign stocks and $5 million was in foreign bonds. The firm has three U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $11 billion.

As of March 31, the international equity assets were committed most heavily in Japan, 43%; United Kingdom, 14%; Germany 10%; and the Netherlands, 4%.

Analysts or portfolio managers are stationed in New York, Frankfurt, Hong Kong, Singapore and Tokyo.

Minimum account size for individual management is $5 million.

ABD International Management is an equity-oriented global investor. It uses a contracyclical equity approach and relies on extensive research for stock selection. Currency management is a separate process from stock selection, and currency hedging may be used extensively.

The firm is registered with the SEC as an investment adviser as of November 1980. The client contact is Jill B. Jordon, vice president and director of marketing; (212) 952-7351.

Alliance Capital Management International

Buckingham House, 62/3 Queen St.,
London, England, EC4R 1AD;
441-248-8881. Also: 140
Broadway, New York, N.Y. 10005;
(212) 902-4000

Alliance Capital Management International, a subsidiary of Alliance Capital Management Corp., invests $35 million in U.S. tax-exempt assets internationally for 17 clients. All of the assets are invested in foreign equities.

The international assets, as of March 31, were invested most heavily in Germany, 22%; the Netherlands, 19%; Japan, 16%; Canada, 9%; and the United Kingdom, 8%.

Alliance Capital Management requires a minimum of $5 million for individual management.

For international investing the company takes a value-added and active approach toward country, currency and security selection.

Portfolios have a distinctive view, with major overweighting and underweighting in currency, type of assets and industry groups.

The company has been registered with the SEC since 1970.

Clinton J. Kendrick, president, is the client contact in London; 011-441-248-8881.

American National Bank and Trust Co. of Chicago

33 North LaSalle St., Chicago, Ill.
60690; (312) 661-5877

American National Bank and Trust Co. of Chicago managed $5 million in U.S. tax-exempt assets as of Jan. 1. The firm's assets were invested in foreign stocks. It has three U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries, as of the same date, were $5.2 billion.

As of March 31, the international equity assets were committed most heavily in Japan, 49%; United Kingdom, 22%; Germany, 10%; Switzerland, 5%; and Australia 4%.

Analysts or portfolio managers are stationed in Chicago.

For investing U.S. tax-exempt assets the firm tracks the Capital International Perspective's Europe, Australia and Far East Asia Index.

The client contact is Phil Webster, (312) 661-6065.

American Security Bank N.A.

1501 Pennsylvania Ave., N.W.,
Washington D.C. 20013; (202)
624-3744

American Security Bank, a subsidiary of American Security Corp., managed $29 million in U.S. tax-exempt assets internationally as of Jan. 1.

Of this figure, $19 million was in foreign stocks, and $10 million was in foreign bonds. The bank has 50 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were, as of the same date, $2.7 billion.

As of March 31, international equity assets were committed most heavily in Japan, 36%; Germany, 16%; England, 11%; Switzerland, 11%; and the Netherlands, 11%.

Analysts or portfolio managers are stationed in Washington, D.C.

Minimum account size for individual management is $1 million.

The bank uses active management. It uses a diversified portfolio with stocks selected from a list of industry leaders and many medium- to small-sized companies with significant potential, strong earnings growth, sound financial condition, clean accounting and projected total revenues well in excess of the risk free rate.

The client contact is Howard E.N. Wilson, (202) 624-3744.

b

BA International Investment Management Service

6 E. 43rd St., New York, N.Y. 10017;
(212) 907-7628

BA International Investment Management has $35 million invested interntionally. Of this, $15 million is in foreign stocks and $20 million is in foreign bonds.

The heaviest weightings as of March 31 were in Japan, the United Kingdom, Germany, Canada and Hong Kong.

BA International is a unit of the Bank of America, which manages a total of $30.6 billion; $3 billion of that is for tax-exempt clients.

BA International has analysts or portfolio managers stationed in London, Zurich, Luxembourg and Hong Kong.

The investment emphasis is on the world fixed-income markets. The investment approach is based on proprietary methods of interest rate and currency anticipation as well as maturity structuring.

BA International active equity management is based on a top-down economic scenario approach and emphasizes individual security selection.

The firm is SEC registered.

Francois R. Dennery, vice president, New York, is client contact.

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BEA Associates

153 E. 53rd St., New York, N.Y.
10022; (212) 832-2626

BEA Associates invests $150 million of U.S. tax-exempt assets internationally for 12 clients, half of the assets are in foreign stocks and half in foreign bonds. Including domestic and international portfolios, the company has a total of $2.56 billion under management, of which $2.4 billion is for U.S. tax-exempt clients.

Of the $75 million in foreign equity investments, the countries most heavily weighted were Japan, 30%; Canada, 30%; United Kingdom, 25%; Sweden, 7%; and Germany, 5%.

The minimum account size for separate management is $5 million.

BEA's foreign investment philosophy is an extension of its domestic disciplines, using price sensitivity and value orientation. It seeks better relative values within a global context. It also tries to identify markets that are moving out of phase with the U.S. market to reduce portfolio volatility and vulnerability to U.S. cyclical patterns.

The company has been registered with the SEC since 1968.

Albert L. Zesiger, president and chairman of the board, is client contact.

BT Investment Management Ltd.

280 Park Ave., New York, N.Y. 10017;
(212) 850-2178

BT Investment Management, a subsidiary of Bankers Trust Co., managed $34 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $24 million was invested in foreign stocks and $10 million in foreign bonds. The firm has 11 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $18.9 billion as of the same date.

As of March 31, the international equity assets were committed most heavily in Japan, 44%; United Kingdom, 16%; Germany, 12%; the Netherlands, 9%; and Switzerland, 5%.

Analysts or portfolio managers are stationed in London, Tokyo, Sydney and Zurich.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the bank's diversification of assets in international markets combines fundamental and quantitative analysis.

This two-stage approach involves a country or geographic asset allocation decision, and security selection within each country. The international equity management product that is offered to U.S. plan sponsors is an active selection investment vehicle that is risk controlled.

The client contact is David Williams in New York.

Julius Baer Investment Management Inc.

330 Madison Ave., New York, N.Y.
10017; (212) 949-9055

Julius Baer Investment Management, a new international subsidiary of Bank Julius Baer & Co., has no tax-exempt assets under management now.

However, the parent organization and subsidiaries had a total of $3 billion in U.S. and non-U.S. assets under management as of Jan. 1.

Analysts or portfolio managers are stationed in Zurich, London and New York.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the firm uses global fixed-income portfolio management. It follows a fundamentally based, top-down approach to international fixed-income diversification with emphasis on currency decisions.

The firm has been registered with the SEC since April 1983.

The client contact is Francesco Andina.

Bailard, Biehl and Kaiser International Fund

951 Mariners Island Blvd., Suite 700,
San Mateo, Calif. 94404; (415)
571-5800

Bailard, Biehl and Kaiser International Fund, a unit of Bailard, Biehl and Kaiser Inc., had $6 million in U.S. tax-exempt assets in non-domestic markets as of Jan. 1. Of that, $5 million was in foreign stocks and the rest was in foreign bonds.

Total U.S. and non-U.S. assets managed by the firm as of the same date were $250 million.

As of March 31, the international equity assets were concentrated mainly in Japan, 40%; the United Kingdom, 18%; Australia, 12%; and 14% split evenly between France and Holland.

Analysts or portfolio managers are stationed in San Mateo.

When investing U.S. tax-exempt assets, the firm uses a total return approach of both income and capital gain, with particular emphasis placed on one or the other as deemed appropriate by the economy.

Bailard, Biehl and Kaiser is registered as an investment adviser with the SEC.

Richard L. Holbrook in San Mateo is the client contact.

Bank of Boston

100 Federal St., Boston, Mass.
02110; (617) 434-2200

The Bank of Boston, a subsidiary of Bank of Boston Corp., managed $29 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $23 million was invested in foreign stocks and $6 million in foreign bonds. The bank has eight U.S. tax-exempt clients.

The bank's total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $6.7 billion as of the first of the year.

As of March 31, the international equity assets were committed most heavily in Japan, the United Kingdom, the Netherlands, Germany and Belgium.

Analysts or portfolio managers are stationed in London, Boston, Geneva and Luxembourg.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the bank's equity approach is active with diversification of assets among countries and currencies. It concentrates on issues that represent the best values at a given time. For fixed income, the bank is opportunistic and employs anticipation of interest rates and currency movements.

Peter F. Tague III, first vice president, is client contact at (617) 434-4560.

Baring International Investment Ltd.

One Post Office Square, Suite 2230,
Boston, Mass. 02109; (617)
357-9074

Baring International Investment Ltd., a subsidiary of Baring Bros. & Co. and Henderson Baring Management Ltd., managed $65 million in U.S. tax-exempt assets internationally as of Jan. 1. All of its assets are in foreign stocks. The firm has five U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries as of that date were $5.5 billion.

As of March 31, the international equity assets were committed most heavily in Japan, 45%; Germany, 14%; United Kingdom, 14%; the Netherlands, 10%; and Hong Kong, 5%.

Analysts and portfolio managers are stationed in London, Hong Kong and Tokyo.

Baring International is an equity-oriented manager that is flexible and active. It moves between markets and makes short-term strategic investments in international debt instruments when attractive opportunities are available. The firm uses a top-down geographical and asset allocation approach, after which it "picks

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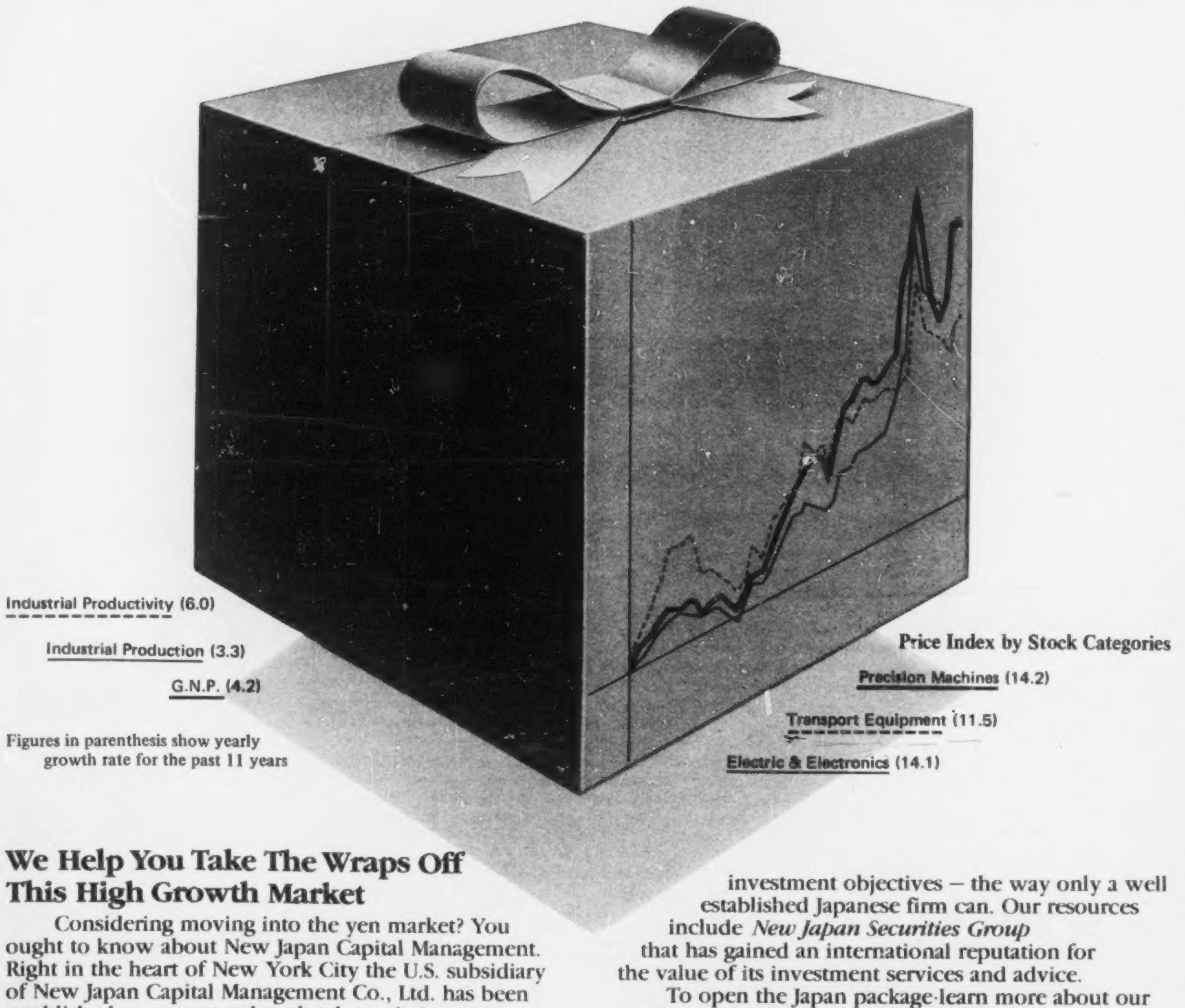
THE JAPAN PACKAGE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G.N.P. (4.2)
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One World Trade Center, Suite 4959 New York, New York 10048
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stocks" within the regional markets. It is prepared to move up to 50% of its portfolios into cash in times of uncertainty.

The firm is registered with the SEC as of February 1980.

The client contact is John F. McNamara, (617) 357-9074.

Bartow, MacLeod International Inc.

Statler Office Bldg. Providence St.
Suite 476, Boston, Mass. 02116;
(617) 542-1136

Bartow, MacLeod managed $15 million in U.S. tax-exempt assets internationally as of Jan. 1. The full amount was invested in foreign bonds. The company has one U.S. tax-exempt client.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $15 million as of the first of the year.

As of March 31, international assets were committed most heavily in Japan, the United Kingdom, Germany and the United States.

Analysts or portfolio managers are stationed in Boston.

Minimum account size for individual management is $10 million.

The company is in the process of registering with the SEC as an investment adviser.

Stephen C. Bartow, president, is the client contact.

Batterymarch Financial Management

600 Atlantic Ave. Boston, Mass.
02210; (617) 973-9300

Batterymarch managed $100 million in U.S. tax-exempt assets overseas as of Jan. 1. The total amount was invested in foreign stocks. The firm has two U.S. tax-exempt clients.

The total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $8 billion as of the first of the year.

Analysts or portfolio managers are stationed in Boston.

Minimum account size for individual management is $5 million.

The firm has discontinued passive international equity business and is beginning an actively managed equity product. Its approach emphasizes country judgments that are contrarian and value oriented. Stock selections are the result of disciplined application of valuation techniques applied on an intracountry basis.

Since 1969, the firm has been registered with the SEC as an investment adviser.

Client contacts are John T. Bennett, senior vice president, at (617) 973-9357; and Jarrod W. Wilcox, senior vice president, at (617) 973-9326.

Bessemer Trust Co. N.A.

630 Fifth Ave., New York, N.Y. 10111;
(212) 708-9141

Bessemer Trust Co., a unit of The Bessemer Group Inc., managed $15 million in U.S tax-exempt assets in foreign markets as of Jan. 1. Of that, $10 million was in foreign stocks and $5 million was in foreign bonds.

The parent organization and subsidiaries managed $3 billion in U.S. and non-U.S. assets as of the same date.

As of March 31, the international equity assets were committed most heavily in Japan, 20%; Hong Kong, 14%; England, 13%; the Netherlands, 13%; and Australia, 7%.

Analysts or portfolio managers are stationed in New York City and Palm Beach, Fla.

Bessemer's equity philosophy emphasizes a concept of value based on its expectation of the current market environment. It identifies stocks that are expected to experience major earnings growth within six to 18 months.

The characteristics of stocks bought include above-average reinvestment rates and return on equity, relatively low price-earnings ratios and market/book value ratios, and consistently high historical dividend yields and/or dividend growth rates.

Although the firm does not consider itself an aggressive market-timer, it does use timing strategies to a moderate degree.

The client contact is Robert C. Elliot, executive vice president, New York.

The Boston Co.

One Boston Place, Boston, Mass.
02106; (617) 722-7000

The Boston Co., a subsidiary of Shearson/American Express, managed $16 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $15 million was invested in foreign stocks and $1 million in foreign bonds.

Total U.S. and non-U.S. assets managed by the firm were $6.5 billion as of the same date.

As of March 31, the international equity assets were committed most heavily in Germany, 26%; Switzerland, 19%; the Netherlands, 13%; Japan, 13%; and Great Britain, 6%.

Analysts and portfolio managers are stationed in Boston and London.

The company's investment approach for U.S. tax-exempt assets uses external sources and proprietary tools to formulate a global economic outlook.

Countries and currencies representing the best value relative to the U.S. dollar are selected. Economic sector analysis identifies the most attractive industries.

Individual stock selection is based upon a search for growth and value opportunities as well as recommendations from an extensive network of worldwide contacts.

The firm is registered with the SEC as an investment adviser as of 1970.

The client contact is Thomas J. Lucey, senior vice president, (617) 722-7512.

Brown Bros. Harriman & Co.

59 Wall St., New York, N.Y. 10005;
(212) 483-1818

Brown Bros. Harriman managed $230 million in U.S. tax-exempt assets internationally as of Jan. 1. Of that, $70 million was in foreign stocks and $160 million was in foreign bonds. The firm has 13 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $8.7 billion as of the same date.

As of March 31, the international equity assets were committed most heavily in these countries: Japan, 40%; Germany, 15%; the Netherlands, 8%; Switzerland, 10%; and Hong Kong, 8%.

Analysts or portfolio managers are stationed in New York and London.

For investing U.S. tax-exempt assets, the firm's approach emphasizes longer-term commitments to multicurrency diversification. It stresses the greater impact of judgments on economic developments, expected changes in currency values and market trends. Individual stock and bond issue analysis and selection are also vital.

It utilizes foreign fixed income as well as equity investments. It is an active rather than passive manager, although radical shifts in asset mix or individual issues are not anticipated. It places strong emphasis on quality and marketability in investment selection.

The client contact is Douglas McCartney, manager, (212) 483-5577.

C

CB International Investments

100 Wall St., New York, N.Y. 10005;
(212) 248-0100

CB International Investments, a subsidiary of County Bank Ltd., managed $11 million in U.S. tax-exempt assets internationally as of Jan. 1. The full amount is invested in foreign stocks. The firm has one U.S. tax-exempt client.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $5.4 billion as of the same date.

As of March 31, international equity assets were committed most heavily in Japan, 49%; Canada, 8%; the Netherlands, 7%; Sweden, 7%; and Australia, 5%.

Analysts and portfolio managers are stationed in London.

Minimum account size for individual management is $3 million.

For investing U.S. tax-exempt assets, the firm puts an emphasis on the correct determination of currency and asset mix decisions and rapid implementation in portfolios.

The firm has been registered with the SEC as an investment adviser since 1981.

The client contact is A.J. Albert, managing director.

CIGNA Corp.

Hartford, Conn. 06152; (203)
726-6000

CIGNA had $98 million of U.S. tax-exempt assets in international investments as of Jan. 1. Of that, $90 million was invested in foreign equities and $8 million in foreign bonds.

Total assets under management by CIGNA were $28.6 billion as of the same date.

The international equity assets, as of March 31, were concentrated most heavily in Japan, 20%; Sweden, 15%; Germany, 11%; Australia, 10%; and United Kingdom, 9%.

Analysts or portfolio managers are stationed in Philadelphia, Hartford and London.

CIGNA believes the long-term benefits of international diversification are maximized by an approach that rests heavily on security selection. Analysis of changing macro and micro conditions helps it to anticipate areas of future attraction. Country/currency research provides a backdrop for decisions on exposure and hedge positions. CIGNA emphasizes investment in companies with rapid growth of dividends and earnings.

CIGNA is registered with the SEC as an investment adviser.

James E. Malling, senior vice president, is the client contact, (203) 726-3994.

CSFB Investment Management Ltd.

22 Bishopgate, London, EC2N 4BQ
England; (01) 283-4200

CSFB Investment Management Ltd. is the new investment management subsidiary of Financiere Credit Suisse-First Boston.

The company is considering seeking ERISA assets.

It is mainly a fixed-income international investment manager for pension funds, insurance companies and central banks. The company offers different types of portfolios including cash management, floating rate, fixed-income multicurrency and convertible bond portfolios.

CSFB Investment Management is not registered with the SEC.

Manfred Adami, managing director, is the client contact.

Cambiar Investors Inc.

8400 E. Prentice Ave., Suite 460,
Englewood, Colo. 80111; (303)
793-3939

Cambiar Investors managed approximately $13 million in U.S. tax-exempt assets internationally as of Jan. 1. All of the assets are invested in foreign stocks. The firm has two U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $91 million as of the beginning of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 59%; the Netherlands, 24%; Great Britain, 13%; and Sweden, 4%.

Minimum account size for individual management is $500,000.

Analysts or portfolio managers are stationed in Denver.

The firm's approach for investment of U.S. tax-exempt assets utilizes fundamental research to evaluate common stocks determined to be undervalued. There is concentration on stocks that have low price earnings multiples currently not in favor.

The firm is registered with the SEC as of 1973.

The client contact is Theo N. Otis.

Capital Guardian Trust Co.

333 S. Hope St., Los Angeles, Calif.,
90071; (213) 486-9200

Capital Guardian Trust Co., a subsidiary of The Capital Group Inc., managed $150 million in U.S. tax exempt assets internationally as of Jan 1. Of this figure, $100 million was invested in foreign stocks and $29 million in foreign bonds.The firm has 14 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $13.9 billion as of the beginning of the year.

As of March 31, international equity assets were committed most heavily in Japan, 48%; Germany, 18%; United Kingdom, 10%; Hong Kong, 7%; and the Netherlands, 7%.

Continued on page 20

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GLOBAL ASSET MANAGEMENT NOTES

Adolphe J. Warner, Senior Advisor on
International Economics and Portfolio Investment

Comments extensively on the
Outlook For Exchange Rate Stability

NYFS New York & Foreign Securities Corporation

655 Third Avenue • New York, New York 10017
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Analysts or portfolio managers are stationed in Los Angeles, San Francisco, New York, Washington, D.C., London, Geneva and Tokyo.

Minimum account size for individual management is $2 million.

For investing U.S. tax-exempt assets, the firm uses a fundamental value-oriented approach based on thorough detailed research and analysis supported by direct management contacts. Additional focus is provided by portfolio managers and analysts with country or area economic, political and social overview responsibilities. International research is based in Geneva with overall strategy coordinated daily through the Los Angeles head office.

The client contact is John H. Seiter, vice president, at (213) 486-9436.

Centerre Trust Co. of St. Louis

510 Locust St., St. Louis, Mo. 63101;
(314) 231-9300

Centerre Trust Co. of St. Louis, a subsidiary of Centerre Bancorporation, had $21 million in U.S. tax-exempt assets invested internationally as of Jan. 1 for 18 U.S. tax-exempt clients. All of it was invested in foreign equities.

Total U.S. and non-U.S. assets under management by the parent organization and all of its subsidiaries were $5.96 billion as of the beginning of the year.

As of March 31, 45% of the international equity assets were concentrated in Japan. Germany had 13%; the Netherlands, 11%; United Kingdom, 7%; and Switzerland, 7%.

Portfolio management is centered in St. Louis. Research is provided by adviser Morgan Grenfell Investment Services, with research offices in London, Geneva, Tokyo, Singapore and Sydney.

For investing U.S. tax-exempt assets, Centerre places primary emphasis on over- or underweighting countries, followed by stock and sector selection; currency determination is significant, but not a predominant factor. Large movement among countries is a key factor. Fundamental research is the primary factor to decision-making.

The client contact is Thomas S. Darnall Jr., (314) 436-9012.

Chase Investors Management Corp.

1211 Avenue of the Americas, New York, N.Y. 10036; (212) 730-2967

Chase Investors Management, a subsidiary of Chase Manhattan Corp., managed $110 million in U.S. tax-exempt assets internationally as of Jan. 1. All of that is invested in foreign stocks. The firm has 42 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $12.5 billion as of the start of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 41%; Germany, 26%; Singapore, 10%; the Netherlands, 7%; and Switzerland, 7%.

Analysts or portfolio managers are stationed in New York and London.

Minimum account size for individual management is $10 million.

For investing U.S. tax-exempt assets, the firm identifies opportunities through fundamental analysis and anticipation of changes.

The firm has been registered with the SEC as an investment adviser since 1972.

The client contact is Edward V. Arbaugh III, vice president, at (212) 730-3744.

Chemical Bank

30 Rockefeller Plaza, New York, N.Y. 10112; (212) 621-2323

Chemical Bank, a subsidiary of Chemical New York Corp., managed $40 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $27 million was invested in foreign stocks and $7 million in foreign bonds. The bank has 55 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $12.6 billion as of the first of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 39%; United Kingdom, 17%; Germany, 14%; Switzerland, 6%; and Singapore, 5%.

Analysts or portfolio managers are stationed in New York, London, Zurich, Geneva and Singapore.

For investing U.S. tax-exempt assets, the bank's goal is to achieve a real rate of return and to add value by outperforming market indexes under all conditions. It emphasizes fundamental research and issue selection in the intermediate term. Its fundamental analytical work is complemented by quantitative research and a series of proprietary computer screens.

The bank is registered with the SEC as an investment adviser.

James A. Favia, senior vice president, is client contact at (212) 621-2101.

Citibank N.A.

One Citicorp Center 153 E. 53rd St., New York, N.Y. 10043; (212) 559-9700

Citibank, a subsidiary of Citicorp, managed $310 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $180 million is invested in foreign stocks and $130 million in foreign bonds. The firm has 75 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by parent organization and subsidiaries were $19.7 billion as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 48%; United Kingdom, 14%; Germany, 9%; Switzerland, 6%; and the Netherlands, 6%.

Analysts or portfolio managers are stationed in London, Hong Kong, Geneva, Zurich, New York, Houston and San Francisco.

Minimum account size for individual management is $5 million.

For investment of U.S. tax-exempt assets, the firm uses active management with an orientation to growth. Portfolios are kept diversified, with specialization in growth stocks. Stock selection is regionalized for day-to-day decisions with specialists in Europe and the Far East. Asset allocation is controlled centrally.

The client contact is Barry Giilman, vice president, at (212) 559-9181.

Continental Illinois National Bank & Trust Co. of Chicago

162 Queen Victoria St., London, England, EC4V4BS;
011-441-236-7444

Continental Illinois National Bank & Trust Co. managed $8 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $5 million is invested in foreign stocks and $3 million in foreign bonds. The firm has 10 U.S. tax-exempt clients.

As of March 31, the international equity assets were most heavily committed in Japan, 45%; Germany, 10%; United Kingdom, 5%; the Netherlands, 7%; and Australia, 5%.

Analysts or portfolio managers are stationed in London, Zurich, Geneva and Chicago.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the firm has a top-down approach to both equity and bond markets stressing currency markets and sector/maturity decisions. Active management style both between and within markets is based on a forecast of total returns and risk analysis. The emphasis is on quality and marketability in security selection and a belief that a balanced bond and equity approach has merit.

Client contacts are Geoffrey Osmint, vice president, in London; and in Chicago, Joe Alaimo, vice president, (312) 828-7720 and Bruce Jensen, second vice president, (312) 828-7004.

Martin Currie Inc.

29 Charlotte Square, Edinburgh, Scotland EH2 4HA;
011-44-31-225-3811

Martin Currie Inc., a subsidiary of Martin Currie & Co., managed $50 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $40 million is invested in foreign stocks. The firm has four U.S. tax exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $750 million as of Jan. 1.

As of March 31, international equity assets were committed most heavily in Japan, 36%; United States, 21%; United Kingdom, 22%; Germany, 6%; and Sweden, 4%.

Analysts or portfolio managers are stationed in Edinburgh.

Minimum account size for individual management is $10 million.

For investing U.S. tax-exempt assets, the firm's approach can be either global or international dependent upon client's requirement. There is emphasis on stock selection and a secondary emphasis on currency selection. The approach is medium term except in raw material where a shorter term approach is used.

As of November 1978, the firm has been registered with the SEC as an investment adviser.

David Skinner and Michael Kennedy are client contacts.

d

Daiwa International Capital Management Corp.

One Liberty Plaza, 91 Liberty St., New York, N.Y. 10006; (212) 732-6600

Daiwa International, a subsidiary of Daiwa, Japan, managed $57 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $52 million was invested in foreign stocks. The firm has three U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $2.3 billion as of the same date.

As of March 31, international equity assets were committed most heavily in Japan, 98%, Australia and Singapore.

Analysts or portfolio managers are stationed in Tokyo, London and New York.

Minimum account size for individual management is $5 million.

Daiwa is a research-oriented, active manager, seeking incremental returns from equity investment in the markets of the Pacific basin. The stock selection process focuses on a company's long-term growth potential and the relative value of its stock price.

The firm has been registered with the SEC since 1981.

The client contact is Masanori Yoshida, president, in New York.

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DiBartolomeo & Co.
150 E. 35th St., New York, N.Y.
10016; (212) 685-4145

DiBartolomeo & Co. managed $1 million in U.S. tax-exempt assets as of Jan. 1. Of this figure, $400,000 is invested in foreign stocks and $600,000 in foreign bonds. The firm has three U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $5 million as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in United States, 65%; Japan, 25%; and Italy, 10%.

Analysts or portfolio managers are stationed in New York.

Minimum account size for individual management is $250,000.

For investing U.S. tax-exempt assets, the firm seeks basic value in equities while staying in the low-grade bond market on the income side; both strategies utilize options and futures contracts.

As of May 1981, the firm has been registered with the SEC as an investment adviser.

The client contact is Daniel DiBartolomeo.

e

Eaton & Howard, Vance Sanders
24 Federal St., Boston, Mass. 02110;
(617) 482-8260

Eaton & Howard, Vance Sanders, a subsidiary of Eaton Vance Corp., managed $26 million of U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $24 million was invested in foreign stocks and $2 million in foreign bonds.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $2.5 billion as of the start of the year.

As of March 31, international equity assets were committed most heavily in Japan, 30%; Canada, 20%; Great Britain, 20%; the Netherlands, 20%; and Australia, 10%.

Analysts or portfolio managers are stationed in Boston and San Francisco.

Minimum account size for individual management is $1 million.

For investing U.S. tax-exempt assets, EHVS concentrates on securities of companies whose future values provide high potential for appreciation. The firm's objective is to seek out and own securities likely to benefit from improving fundamentals related to sales, margins, returns on equity and assets and per-share earnings growth. Perceptions of management, products and services, and future value based on the opinions of competitors, users, suppliers and analytical sources are important to buy-sell decisions.

The firm has been registered with the SEC as an investment adviser since 1940.

The client contact is John H. Wise Jr., vice president.

Eberstadt Asset Management Inc.
61 Broadway, New York, N.Y. 10006;
(212) 480-9600

Eberstadt Asset Management, a subsidiary of Marsh & McLennan Asset Management Inc., had $166 million in U.S. tax-exempt assets invested in non-domestic markets as of Jan. 1. Of this, $131 million was in foreign stocks and $35 million was in foreign bonds.

Eberstadt manages two exclusively international accounts but all 45 of its clients are invested internationally through their portfolios.

As of March 31, the parent company and its subsidiaries managed $3.9 billion in U.S. and non-U.S. assets.

As of March 31, 40.6% of the international equity assets were committed to Japan; the Netherlands had 19.4%; Germany, 15.2%; Switzerland 8.7%; and United Kingdom, 6.8%.

Analysts or portfolio managers are stationed in New York City.

Through intensive bottom-up research, Eberstadt seeks companies that have unique products, processes or assets that they believe will result in incremental unit volume growth, pricing flexibility and improved profitability, producing superior growth in assets, earnings, dividends and cash flow during a two- to three-year time horizon.

The firm has been registered with the SEC as an investment adviser since 1970.

Susan F. Farber is the client contact at (212) 480-8248.

Eurogan S.A.
Sears Crescent, City Hall Square,
Boston, Mass. 02108; (617)
723-7220

Eurogan S.A., a subsidiary of Groupe Des Assurances Nationales, has no U.S. tax-exempt assets invested overseas yet because of the Socialist victory in France. Total U.S. and non-U.S. assets under management by GAN and its subsidiaries were $5 billion as of Jan. 1.

Eurogan hopes to invest in equities in the United States, Japan, Germany, France and the United Kingdom.

Analysts or portfolio managers are stationed in Paris.

Minimum account size for individual management is $10 million.

For investing U.S. tax-exempt assets, the firm's approach is to define the risk/reward potential of each international market it monitors. There is an emphasis on medium- to long-term, value-oriented considerations rather than shorter term technical or fundamental factors. The firm uses advanced techniques for security valuation and portfolio risk control.

The firm has been registered with the SEC as an investment adviser since 1980.

Client contacts are M. Oliver Maumus in Paris, 247-5326, and John M. Heckler in Boston.

f

Fidelity International Investment Management Inc.
82 Devonshire St., Boston, Mass.
02109; (617) 726-0330

Fidelity International Investment, a subsidiary of FMR Corp., managed $230 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $200 million was invested in foreign stocks. The firm has 12 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $18.3 billion as of the start of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 45%; the Netherlands, 12%; Germany, 10%; United Kingdom, 10%; and France, 6%.

Analysts or portfolio managers are stationed in London, Hong Kong, Tokyo and Boston.

Minimum account size for individual management is $20 million.

For investing U.S. tax-exempt assets, the firm's approach is aimed at superior returns. Once an internationally diversified portfolio is allocated to an area or country, assets are managed locally to the greatest extent possible by experienced investment professionals who understand the nuances of their respective markets.

As of 1975, the firm has been registered with the SEC as an investment adviser.

The client contact is William B. Fink in Boston.

Fiduciary Trust Co. of New York
Two World Trade Center, New York,
N.Y. 10048; (212) 466-4100

Fiduciary Trust Co. of New York managed $1.7 billion in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $1 billion was invested in foreign bonds, $650 million in foreign stocks. The firm has 29 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $7.2 billion as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 43%; Germany, 15%; United Kingdom, 10%; the Netherlands, 10%; and Switzerland, 8%.

Analysts or portfolio managers are stationed in New York, London, Los Angeles and Geneva.

Minimum account size for individual management is $300,000.

The company's investment approach for U.S. tax-exempt assets is based on a global perspective that emphasizes asset allocation decisions, the competitive positions of markets and industries worldwide, flexibility and individual selection based on fundamental changes rather than short-term events.

The client contact is John L. Griffith, senior vice president, in New York.

The First National Bank of Chicago
Three First National Plaza, Suite
0141, Chicago, Ill., 60670; (312)
732-8290

The First National Bank of Chicago managed $150 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this total, $80 million was invested in foreign stocks and $70 million in foreign bonds. The bank has 45 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under mangement by the parent organization and subsidiaries were $7.5 billion as of the beginning of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 41%; United Kingdom, 16%; Canada, 9%; Germany, 8%; and the Netherlands, 5%.

Minimum account size for individual management is $1 million.

For investing U.S. tax-exempt assets overseas, First Chicago, a core manager of international equity and fixed-income portfolios from its London office, makes extensive use of sophisticated quantitative techniques in a structured international decision-making process. The bank invests globally for ERISA clients.

The client contact is Richard C. Carr, vice president, in Chicago.

Foreign & Colonial Asset Management
45 Wall St., New York, N.Y. 10005;
(212) 806-3855

Foreign & Colonial Asset Management, a subsidiary of U.S. Trust of New York, managed $13 million in

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- International Portfolio Strategy—*Quarterly*
- U.K. Portfolio Strategy—*Quarterly*
- World Currency Review—*Bi-monthly*
- Japan Economic Review—*Quarterly*
- Hong Kong Economic Review—*Quarterly*
- World Mining Review—*Annually*
- Singapore/Malaysia Economic Review—*Quarterly*

4. In addition, we produce the following research reports on individual markets:

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Japan - Major company and sector studies.

Hong Kong - Bi-annual publications on the leading 20 Hong Kong companies, and occasional industry studies. For example, in 1982, we produced an 80-page study on the Hong Kong property market.

Singapore - Major company studies and in recent months in-depth reports on the Singapore banking and property sectors.

Australia - Annual reports are produced on the leading 20 companies, together with occasional studies on major economic and political developments.

South Africa - A quarterly report covering the South African gold market and major companies.

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U.S. tax-exempt assets internationally as of Jan. 1, all of which was invested in foreign stocks. The firm has 11 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $9.4 billion as of the start of the year.

As of March 31, the equity assets were committed most heavily in Japan, 38%; the Netherlands, 12%; United Kingdom, 11%; Australia, 6%; and Singapore, 5%.

Minimum account size for individual management is $500,000.

For investing U.S. tax-exempt assets, the company's Investment Policy Committee establishes country/currency, cash/equity and industry/sector guidelines. The firm's emphasis is placed on small growth companies with a five-year time horizon. Cyclical stocks are used to provide liquidity and for trading in currencies.

As of Jan. 1, the firm has been registered with the SEC as an investment adviser.

The client contact is Joseph J. Verbaro Jr., (212) 806-3853.

Froley, Revy Investment Co. Inc.

10900 Wilshire Blvd. #1050, Los Angeles, Calif. 90024; (213) 208-4938

Froley, Revy Investment Co. has $8.75 million invested internationally for six U.S. tax-exempt clients. Of the total, $3.5 million is equities and $5.25 is fixed income. Total U.S. and non-U.S. assets under management are $202 million; $175 million is tax-exempt.

The foreign investments are concentrated in Canada and the European Economic Community.

Froley, Revy follows a highly diversified investment approach and seeks high yield. The minimum separate account is $1 million. Since 1975, the firm has been registered with the SEC as an investment adviser.

Thomas Revy, in California, is the client contact.

g

G.T. Capital Management Inc.

601 Montgomery St., Suite 1400, San Francisco, Calif. 94111; (415) 392-6181

G.T. Capital, a subsidiary of G.T. Management Ltd., managed $534 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $490 million was invested in foreign stocks, $27 million in U.S. stocks, and $17 million in cash/cash equivalents. The firm has 16 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $1.9 billion as of the start of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 40%; United Kingdom, 20%; Germany, 10%; Hong Kong, 6%; and Switzerland, 4%.

Analysts or portfolio managers are stationed in London, Hong Kong, Tokyo, Sydney, San Francisco and Menlo Park, Calif.

Minimum account size for individual management is $15 million.

For investing U.S. tax-exempt assets overseas, the firm combines a top-down approach to geographic asset allocation (growth economies) with a bottom-up approach to security selection (growth companies).

As of 1974, the firm has been registered with the SEC as an investment adviser.

The client contact is Robert J. Boyd, president, in San Francisco.

Girard Bank

Girard Plaza, Philadelphia, Pa. 19101; (215) 585-2000

Girard Bank, a subsidiary of Mellon National Corp., managed $3.8 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $2 million was invested in foreign stocks and $1.8 million in foreign bonds. Because international management is through commingled funds, the bank declined to list the number of U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by Girard Bank were $7 billion as of Jan. I.

As of March 31, the international equity assets were committed most heavily in Japan, 24%; Germany, 19%; United Kingdom, 12%; Canada, 16%; and Australia, 15%.

Analysts or portfolio managers are stationed in Philadelphia and Zurich.

For investing U.S. tax-exempt assets overseas, the bank selects the most attractive stocks in worldwide companies and picks securities of countries having well-developed debt markets. Investments are often denominated in foreign currency of nations enjoying stable and sustainable rates of economic growth.

The client contact is Albert E. Blum, senior investment officer, at (215) 585-2268.

Globe Finlay Inc.

245 Park Ave., New York, N.Y. 10167; (212) 557-7022

Globe Finlay, a subsidiary of Globe Investment Trust, has one U.S. tax-exempt client for international investments. Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $2 billion as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 40%; the United States, 30%; Europe, 20%; Pacific Basin countries, 10%.

Analysts or portfolio managers are stationed in New York, London, Tokyo and Geneva.

Minimum account size for individual management is $3 million.

The firm's investment approach for U.S. tax-exempt assets is a long-term strategy employing equities, fixed-income and short-term investments to achieve attractive rates of return. Depending on a portfolio's geographic limitations and the firm's strategy, investments are concentrated in a changing universe of five or six markets and approximately 50 positions.

As of June 1982, the firm has been registered with the SEC as an investment adviser.

The client contact is Ralph DiFiore, senior vice president, in New York.

Grantham, Mayo, Van Otterloo & Co.

125 High St., Boston, Mass. 02110; (617) 542-6432

Grantham, Mayo, Van Otterloo managed $34 million in U.S. tax-exempt assets overseas as of Jan. 1. The entire amount was invested in foreign stocks. The firm has five U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $566 million as of start of the year.

As of March 31, the international equity assets were committed most heavily in the United Kingdom, 21%; Japan, 18%; Germany, 11%; the Netherlands, 10%; and Hong Kong, 8%.

Analysts or portfolio managers are stationed in Boston.

For investing U.S. tax-exempt assets, the firm decides value as determined by back-tested investment parameters modified by up-to-date judgments based on readily available local information.

As of 1977, the firm has been registered with the SEC as an investment adviser.

The client contact is Eyk Van Otterloo, partner, in Boston.

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BT Investment Management Ltd.

h

H.T. Investors Inc.

One Hospital Trust Plaza,
Providence, R.I. 02903; (401) 278-7700

H.T. Investors, a subsidiary of R.I. Hospital Trust National Bank, managed $3.5 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $3 million was invested in foreign stocks and $500,000 was invested in gold bullion. The firm has 15 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $2.3 billion as of the start of the year.

As of March 31, international equity assets were committed most heavily in Japan, 33%; Hong Kong, 11%; the Netherlands, 10%; Germany, 10%; and United Kingdom, 9%.

Analysts or portfolio managers are stationed in Providence.

For investing U.S. tax-exempt assets, the firm's fixed-income approach is a rigid top-down analysis; for equities, the emphasis is on growth value and a bottom-up approach. Political and currency consideration do not preclude sound stock picking.

As of July 1982, the firm has been registered with the SEC as an investment adviser.

The client contact is Brian H. Guck, vice president, at (401) 278-8899.

Holborn International Portfolio Managers

450 Park Ave., New York, N.Y. 10022;
(212) 980-0977

Holborn International, a subsidiary of Prudential Corp. Ltd., has no U.S. tax-exempt clients now.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $25 billion as of Jan. 1.

Analysts or portfolio managers are stationed in London.

Minimum account size for individual management is $5 million.

Holborn manages equity allocation and currency exposure separately, enabling the portfolio to experience the optimum distribution of equity markets and currency exposure. The firm invests in a broad range of equity markets, and both the individual country and total portfolios differ markedly from index positions. Emphasis is placed on quality growth.

As of May 1982, the firm has been registered with the SEC as an investment adviser.

The client contacts are Thomas Guillet and Peter Whelpton in New York.

i

IDS Advisory-Gartmore International Inc.

3100 IDS Tower, Minneapolis, Minn.
55402; (612) 372-2026

IDS-Advisory Gartmore, a joint venture between IDS Advisory Group and Gartmore Investment Management Ltd., managed $29 million in U.S. tax-exempt assets internationally as of Jan. 1. The full amount was invested in foreign stocks. The firm has four U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organizations and subsidiaries were $15 billion as of the beginning of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 34%; United Kingdom, 18%; Germany, 9%; Sweden, 9%; and Holland, 9%.

Analysts or portfolio managers are stationed in New York, Minneapolis, London, Glasgow and Hong Kong.

Minimum account size for individual management is $5 million.

The firm's investment approach for U.S. tax-exempt assets is to achieve incremental return. An emphasis is placed on country selection within the framework of macroeconomic, geopolitical world overview. The active, equity-oriented style concentrates the portfolio in favored countries. The aim is to minimize currency risk through hedging.

As of April 1981, the firm has been registered with the SEC as an investment adviser.

The client contact is William C. Daniels, vice president, in Minneapolis.

Ivory & Sime International Inc.

39 Main St., P.O. Box 6, Chatham,
N.J. 07928; (201) 635-6700

Ivory & Sime, a joint venture of Jamison, Eaton & Wood Inc. and Ivory & Sime Ltd., managed $149 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this figure, $114 million was invested in foreign stocks and $13 millon in foreign bonds. The firm has nine U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organizations and subsidiaries were $2.4 billion as of the start of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 44%; Germany, 10%; United Kingdom, 14%; United States, 9%; and the Netherlands, 9%.

Analysts or portfolio managers are stationed in Edinburgh, Scotland.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the firm uses a long-term, fundamental, research-based approach with primary emphasis on stock selection and identifying superior companies in a global context. Currency decisions discipline asset mix.

The firm has been registered with the SEC as an investment adviser since 1978.

The client contact is Keith H. Wood in New Jersey.

k

Kemper-Murray Johnstone International

120 S. LaSalle St., Chicago, Ill. 60603;
(312) 845-1880

Kemper-Murray Johnstone, a joint venture of Kemper Financial Services and Murray Johnstone, managed $30 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this amount, $27 million was invested in foreign stocks and $3 million in foreign bonds. The firm has six U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by parent organizations and subsidiaries were a combined $19.5 billion as of Jan. 1.

As of March 31, the equity assets were committed most heavily in Japan, 35%; the Netherlands, 12%; United Kingdom, 11%; Sweden, 8%; and Switzerland, 7%.

Analysts and portfolio managers are stationed in Glasgow, Scotland.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the firm's approach combines an active international equity strategy and active currency management. The firm tracks opportunities in 17 non-North American stock markets. It is growth biased using relative value analysis and transnational sector analysis for equities. It uses bonds, including U.S. bonds, for defensive purposes.

The firm has been registered with the SEC as an investment adviser since June 1980.

The client contact is Gavin Dobson in Chicago.

Kleinwort Benson International Investment Ltd.

100 Wall St., New York, N.Y. 10005;
(212) 747-0440

Kleinwort Benson, a subsidiary of Kleinwort Benson Lonsdale, managed $126 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this amount, $99 million was invested in foreign stocks and $27 million in foreign bonds. The firm has 11 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $7 billion as of the beginning of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 28%; Hong Kong, 12%; Germany, 12%; the Netherlands, 12%; and United Kingdom, 10%.

Analysts or portfolio managers are stationed at major offices in London, New York, Channel Islands, Brussels, Bremen, Geneva, Hong Kong, Tokyo, Singapore and Sydney. The firm also has several smaller offices worldwide.

For investing U.S. tax-exempt assets. the firm is equity oriented and favors a bottom-up approach. Equities are selected for their growth characteristics and good value in their markets, rather than the country or currency in which they are traded. Fixed income is selected on a top-down approach, with interest rate and currency trends of primary importance.

The firm has been registered with the SEC since 1980.

The client contact is Donald Hurley Jr., director, in New York.

l

Lipper Analytical Services Inc.

5 Carol Road, Westfield, N.J. 07090;
(201) 233-8100

Lipper Analytical managed $2 million in U.S. tax-exempt assets overseas as of Jan. 1. The full amount was invested in foreign stocks. The firm has four U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by parent organization and subsidiaries were $85 million as of the start of the year.

As of March 31, the international equity assets were committed 50% in Pacific Basin countries and 50% in Europe.

Analysts or portfolio managers are stationed in New York, Hong Kong, Melbourne and Tokyo.

Minimum account size for individual management is $2 million.

U.S. tax-exempt assets are invested in investment company (mutual fund) shares on the basis of the specific needs of the account. Funds are selected on the basis of the managers having a long track record of investing overseas using foreign nationals who are members of the international analyst community.

Since 1973, the firm has been registered with the SEC as an investment adviser.

The client contact is Gordon L. Mills, at (212) 269-4080.

Lombard Odier International Portfolio Management Ltd.

Portland House, 72-73 Basinghall St.,
London EC2V 5PB, England. Also
717 Fifth Ave., New York, N.Y.
10022; (212) 750-9830

Lombard Odier, a subsidiary of Lombard Odier & Cie, had $212 million invested internationally for 11 U.S. tax-exempt clients as of Jan. 1.

Of the total, $191 million was invested in foreign stocks and $21 million in foreign bonds.

As of March 31, the international equity assets were invested most heavily in Japan, 52%; United Kingdom, 14%; the Netherlands, 9%; Switzerland, 7%; and Germany, 7%.

The company has portfolio managers or analysts stationed in London and Geneva. The minimum account for separate management is $5 million for equity and $10 million for fixed-income or balanced accounts.

Lombard Odier International Management bases its asset allocation process, consisting of interrelated decisions on currencies, markets, securities and gold, on an expected return for each asset group while taking into account factors of volatility and risk insofar as they are applicable to international investment. An allocation matrix is drawn up and updated at weekly meetings.

The firm has been an SEC registered adviser since 1978.

George M. Yaneff, president, is the client contact in New York.

m

Mellon-Pictet International Management Ltd.

15 Trinity Square, London, EC3N 4AP
England; 011-441-488-2039

Mellon-Pictet International, a joint venture of Mellon Bank and Pictet & Co., managed $54 million in U.S. tax-exempt assets internationally as of Jan. 1. The full amount was invested in foreign stocks. The company has six U.S. tax-exempt clients.

As of March 31, the equity assets were committed most heavily in Japan, 55%; United Kingdom, 14%; Germany, 12%; the Netherlands, 8%; and Switzerland, 6%.

Analysts or portfolio managers are stationed in London, Geneva and Tokyo.

Minimum account size for individual management is $5 million.

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ment, the firm pursues superior rates of return, with concentrated and coherent international portfolios, using a strong in-house research effort. The highest priority is on asset allocation. Stock selection is delegated to country specialists. Emphasis is placed on decision-making.

The company has been registered with the SEC as an investment adviser since 1980.

The clients contact are Dan H. Blanks in London and H. Michael Bean in Pittsburgh at (412) 234-6268.

Merrill Lynch Asset Management Inc.

633 Third Ave., New York, N.Y. 10017; (212) 692-2000

Merrill Lynch Asset Management, a subsidiary of Merrill Lynch & Co., managed $257 million in U.S. tax-exempt assets overseas as of Jan. 1. Of this, $100 million was invested in foreign stocks and $120 million in foreign bonds. The firm has 26 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by Merrill Lynch Asset Management were $46 billion as of Jan. 1. (*Pensions & Investment Age*, April 4, 1983).

As of March 31, international equity assets were committed most heavily in Japan, 45%; Germany, 20%; the Netherlands, 15%; and Switzerland, 10%.

Analysts or portfolio managers are stationed in New York, London, Tokyo and Hong Kong.

Minimum account size for individual management is $500,000.

For investing U.S. tax-exempt assets, the firm emphasizes prudent diversification of assets by currency, economic sector, industry and asset category, with weighting in each area dependent on analysis of economic and political factors as well as the level of market valuation in each country.

Since 1976, the firm has been registered with the SEC as an investment adviser.

Richard Jacobson, senior vice president, is the client contact at (212) 692-8001.

Morgan Grenfell Investment Services Ltd.

520 Madison Ave., New York, N.Y. 10022; (212) 715-1700

Morgan Grenfell Investment, a subsidiary of Morgan Grenfell & Co., managed $389 million in U.S. tax-exempt assets overseas as of Jan. 1. Of this amount, $383 million was invested in foreign stocks and $6 million in foreign bonds. The company has 24 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $7.5 billion as of the start of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 52%; Germany, 12%; the Netherlands, 9%; Scandinavia, 8%; and Switzerland, 6%.

Analysts or portfolio managers are stationed in London, Tokyo, Geneva, Sydney and Singapore.

Minimum account size for individual management is $5 million plus cash flow.

For U.S. tax-exempt asset investment, the firm is an active equity manager focusing simultaneously on stock market selection and stock selection within markets. Each portfolio manager has research responsibility. No investment is made without considering the currency impact.

The company has been registered with the SEC as an investment adviser since 1977.

The client contact is Elliott Mark Gartner, director, in New York.

Morgan Guaranty Trust Co. of New York

30 Throgmorton St., London, EC2N 2DT England; (01) 600-2300

Morgan Guaranty's international investment group in London managed $1.5 billion in U.S. tax-exempt assets internationally as of Jan 1. Of this, $1.1 billion was in foreign stocks and $332 million in foreign bonds. The company has 27 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $39 billion as of the beginning of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 45%; Germany, 18%; United Kingdom, 13%; the Netherlands, 5%; and Canada, 4%.

Analysts or portfolio managers are stationed in London, New York, Tokyo, Hong Kong and Singapore.

Minimum account size for individual management is $5 million.

To construct the optimal portfolio for each account, Morgan integrates global macro and micro research by a team of multinational analysts with portfolio managers' knowledge of international markets and client objectives. The company focuses on stock, market and currency selection, aiming to enhance portfolio value through decisions in each of these areas.

Client contacts are Nicola R. Ozanne in New York, at (212) 826-7449, and Chilton Thomson Jr. in London, at (44-1) 600-2300, ext. 3849.

Multinational Investment Inc.

3645 Warrensville Center Road, Shaker Heights, Ohio 44122; (216) 752-8900

Multinational Investment managed $1 million in U.S. tax-exempt assets internationally as of Jan. 1. The full amount was invested in foreign stocks. The company has 18 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $45 million as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 50%; South Africa, 30%; Canada, 15%; and the United Kingdom, 5%.

Analysts or portfolio managers are stationed in Shaker Heights.

Minimum account size for individual management is $500,000.

For investing U.S. tax-exempt assets, the company seeks good relative value stocks in selected countries, and expects additional benefits from possible currency gains vs. the U.S. dollar. Further benefit is risk reduction for the whole portfolio.

The firm has been registered with the SEC as an investment adviser since 1976.

The client contact is Geofrey J. Greenleaf.

n

New Japan Capital Management (USA) Inc.

One World Trade Center, Suite 4959, New York, N.Y. 10048; (212) 938-5602

NJCM (USA) Inc., a subsidiary of New Japan Capital Management Co. Ltd., has no U.S. tax-exempt assets now. Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $400 million as of Jan. 1.

Analysts or portfolio managers are stationed in Tokyo and New York.

Minimum account size for individual management is $1.5 million.

New Japan (USA) invests primarily in Japanese equities with growth potential, but diversifies funds in more than five industries to avert risk in high-technology areas including emerging growth firms.

Investing in the same industry is limited to no more than four issues. New Japan Capital is extending its investments to the Pacific Basin.

As of February 1982, the firm has been registered with the SEC as an investment adviser.

The client contact is Hiroshi Takahashi, senior vice president.

Newport Capital Management

50 California St., Suite 2350, San Francisco, Calif. 94111; (415) 781-5801

Newport Capital Management managed $4 million in U.S. tax-exempt assets internationally as of Jan. 1. The full amount was invested in foreign stocks. The firm has three U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $40 million as of the start of the year.

As of March 31, the international equity assets were committed most heavily in the United States, 50%, and Japan, 35%.

Analysts or portfolio managers are stationed in San Francisco and Newport Beach, Calif.

Minimum account size for individual management is $1 million.

For investing U.S. tax-exempt assets, the firm analyzes global liquidity trends, using a top-down approach. It favors Far East investment, and manages three international funds based in Bermuda.

Since 1974, the company has been registered with the SEC as an investment adviser.

John M. Mussey is the client contact.

Nikko International Capital Management Co. (America) Inc.

140 Broadway, New York, N.Y. 10005; (212) 747-9823

NICAM Co. (America), a subsidiary of Nikko International Capital Management Co. Ltd., managed $13 million in U.S. tax-exempt assets overseas as of Jan. 1. Of this amount, $10 million was invested in foreign stocks and $1 million in foreign bonds. The firm has two U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $741 million as of the beginning of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 90%, and Hong Kong, 5%.

Analysts or portfolio managers are stationed in Tokyo, Hong Kong, Singapore, Sydney, Seoul, New York and London.

Minimum account size for individual management is $1 million.

For investing U.S. tax-exempt assets, the firm's approach is fundamental and active. NICAM Co. (America) invests strategically in equity securities on a long-term basis. It recommends Japanese equity securities and equity securities issued in other Asian and Oceanic countries.

The firm has been registered with the SEC as an investment adviser since 1981.

The client contact is Tetsuya Murakami.

Nomura Capital Management Inc.

100 Wall St., Ninth Floor, New York, N.Y. 10005; (212) 425-9294

Nomura Capital, a subsidiary of Nomura Investment Management Co., managed $104 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $94 million was invested in foreign stocks. The company has six U.S. tax-exempt clients: Eli Lilly Co., General Electric Co., General Motors Corp., McDonnell Douglas Corp., the State of Hawaii and United Technologies Corp.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $1.2 billion as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan.

Analysts or portfolio managers are stationed in Tokyo, Kamakura, Osaka, New York, Hong Kong and London.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the company is primarily equity oriented. The investment horizon is long term, with major emphasis placed on growth stocks but a limited exposure to cyclicals. Original research is used extensively for both top-down and bottom-up analyses.

The firm has been registered with the SEC since 1976. The client contact is Brian X. Fitzgibbon, senior vice president, at (212) 425-9239.

Continued on page 28

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LONDON HONG KONG TOKYO

Continued from page 25

The Northern Trust Co.

50 S. LaSalle St., Chicago, Ill. 60675;
(312) 630-6000

The Northern Trust Co., a subsidiary of The Northern Trust Corp., managed $4 million in U.S. tax-exempt assets internationally as of Jan. 1. This was invested equally between foreign stocks and foreign bonds. The company has 25 U.S. tax-exempt clients.

The total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $11 billion as of the beginning of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 35%; United Kingdom, 13%; Germany 16%; Switzerland, 9%; and the Netherlands, 9%.

Analysts or portfolio managers are stationed in Geneva and Chicago.

Minimum account size for individual management is $100,000.

For investing U.S. tax-exempt assets, the company utilizes extensive analysis of economies, currencies, financial markets and individual companies. It seeks to maximize relative and absolute returns consistent with the acceptable level of risk.

The firm is registered with the SEC as an investment adviser.

The client contact is James R. Janetz, vice president.

p

Alan Patricof Associates Inc.

545 Madison Ave., New York, N.Y.
10022; (212) 753-6300

Alan Patricof Associates managed $2 million in U.S. tax-exempt assets internationally as of Jan. 1, all of which was invested in foreign stocks. The firm has two U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $90 million as of the start of the year.

Analysts or portfolio managers are stationed in New York, London and Paris.

As of March 31, the international equity assets were committed most heavily in England and France.

Minimum account size for individual management is $2 million.

For investing U.S. tax-exempt assets, the firm is involved in the management of funds in the area of venture capital, operating three closed-end pools in the United States, United Kingdom and France. Each pool contains the funds from pension accounts in all countries involved.

The firm is not registered with the SEC as an investment adviser.

The client contact is Alan J. Patricof, chairman.

M. Pescatello & Co. Inc.

120 Broadway, Room 3018, New
York, N.Y. 10271; (212) 227-5200

M. Pescatello & Co. managed $13 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $10 million was invested in foreign stocks and $3 million in foreign bonds. The firm has three U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by parent organization and subsidiaries were $200 million as of the first of the year.

As of March 31, international equity assets were committed most heavily in Japan, Canada and the United Kingdom.

Analysts or portfolio managers are stationed in New York City.

Minimum account size for individual management is $1 million.

For investing U.S. tax-exempt assets, the firm seeks long-term values and emphasizes earnings growth prospects. Its valuation process stresses company fundamentals.

Since 1973, the firm has been registered with the SEC as an investment adviser.

Michael Pescatello and Edward A. Pescatello are the client contacts.

The Prudential Insurance Co. of America

Prudential Plaza, Newark, N.J. 07101;
(201) 877-3735

Prudential Insurance Co. of America managed $90 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $78 million was invested in foreign stocks and $11 million in foreign bonds. The company has three U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $68 billion at the beginning of the year.

As of March 31, the firm's international equity assets were committed most heavily in Japan, 50%; the United Kingdom, 17%; the Netherlands, 12%; Germany, 10%; and Switzerland, 6%.

Analysts or portfolio managers are stationed in Newark and Tokyo.

Minimum account size for individual management is $50 million over five years.

Prudential's approach to international investment follows a structured decision-making process, taking into account controlled risk characteristics. It incorporates fundamental and technical analysis of the foreign exchange markets, as well as stock and bond markets.

Since 1976, the company has been registered with the SEC as an investment adviser.

James H. Gately is client contact.

Putnam International Advisors

One Post Office Square, Boston,
Mass. 02109; (617) 292-1232.

Putnam International Advisors, a subsidiary of The Putnam Advisory Co., had $377.2 million in U.S. tax-exempt assets invested internationally for 29 clients as of Jan. 1. Of this, $270.7 million was invested in foreign stocks and $106.5 million in foreign bonds.

Total U.S. and non-U.S. assets under management by Putnam and its subsidiaries as of the same date were $10.1 billion.

As of March 31, the international equity assets were concentrated mainly in Japan, 40%; Germany, 27%; the Netherlands, 11%; Switzerland, 5%; and the United Kingdom, 4%.

Minimum account size for individual management is $5 million.

Analysts or portfolio managers are stationed in Boston and London.

Putnam's international investment approach is to seek maximum returns while assuming a risk profile in line with the EAFE Index. Central to the firm's approach is the combination of qualitative judgments of its professional staff and quantitative management techniques to arrive at a strategic deployment of assets between various countries and cash.

Since 1969, the firm has been registered with the SEC as an investment adviser.

The client contact is Stephen P. Langer, vice president.

r

N. Reitenbach & Co. Inc.

122 E. 42nd St., Suite 4200, New
York, N.Y. 10168; (212) 599-3077

N. Reitenbach & Co. gives international investment advice to other investment advisory firms. The company runs model portfolios that assist other managers in structuring their own portfolios. It plans to seek ERISA accounts in the near future.

Analysts or portfolio managers are stationed in New York City.

Minimum account size for individual management is $500,000.

N. Reitenbach's investment decisions are based upon analysis of worldwide interest rate and currency trends. It invests in high-quality fixed-income vehicles denominated in the currency of a nation's economy. Active use is made of both short- and long-term vehicles. Long-term bonds are used when analysis indicates long-term rates in a particular economy are declining.

Since 1979, the firm has been registered with the SEC as an investment adviser.

Nicholas Reitenbach is the client contact.

Robeco International Investment Advisers

133 heer Bokelweg, Rotterdam, The
Netherlands; 10-65-07-11

Robeco International has no U.S. tax-exempt assets under management. The company has total assets under management of $5.5 billion, most of it in four investment companies (mutual funds). About $400 million is managed individually for European pension funds and others.

As of March 31, the international assets were invested about 50% in Japan; 11% in Hong Kong, Singapore and Australia; 12% in the United Kingdom; 7% in Holland; and 6% in Germany.

The company uses a top-down approach. Investment strategy includes the use of gold and currency hedging, and portfolios generally are well-diversified both geographically and in terms of sector.

Karel R. E. Schaedtler, managing director, is the client contact.

N.M. Rothschild International Asset Management Ltd.

New Court, St. Swithen's Lane,
London EC4P 4DU England; (01)
280-5000

N.M. Rothschild International Asset Management, an affiliate of Rothschild Inc., had $48 million in U.S. tax-exempt assets in foreign markets as of Jan. 1. Of that, $43 million was in non-domestic stocks.

Total U.S. and non-U.S. tax-exempt assets under management by the parent organization and subsidiaries was $7 billion as of the same date.

Analysts or portfolio managers are stationed in London, Zurich, Paris, New York, Singapore, Sydney and Hong Kong.

For investing U.S. tax-exempt assets, N.M. Rothschild's equity approach is to enhance return by currency, market and stock selection based on research in all three areas. For fixed income, the firm assesses currency trends in international markets. It uses internal economic forecasting capability during a 12- to 18-month time frame to provide expected interest rate trends.

The firm has been registered with the SEC since 1980.

James Heyworth-Dunne is the client contact.

Rowe Price-Fleming International Inc.

100 E. Pratt St., Baltimore, Md.
21202; (301) 547-2141

Rowe Price-Fleming, a joint venture between Robert Flemings Holdings Ltd. and T. Rowe Price Associates, managed $293 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this amount, $272 million was invested in foreign stocks and $21 million was in cash. The company has 16 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets of both parent organizations and their subsidiaries were $24 billion as of the start of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 55%; United Kingdom, 10%; Germany, 9%; the Netherlands, 8%; Switzerland, 6%; and Hong Kong, 6%.

Analysts or portfolio managers are stationed in London, with research offices in Tokyo, Hong Kong, Melbourne, Singapore, Kuala Lumpur and Manila.

Minimum account size for individual management is $10 million.

Rowe Price-Fleming International's approach to international investment is one of active asset allocation based on fundamental research. The firm believes economic growth will be the principal source of return in international investing and it emphasizes stock selection to capture this. Research commitment in the Far East is strong, reflecting the favorable growth prospects there.

The firm has been registered with the SEC as an investment adviser since 1979.

The client contact is David M. Gong, vice president, at (301) 547-2130.

Frank Russell Trust Co.

1912 First Interstate Plaza, Tacoma,
Wash. 98402; (206) 572-2282

Frank Russell Trust Co., a subsidiary of Frank Russell Co., had $5 million invested internationally for 11 U.S. tax-exempt clients as of Jan. 1. The total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $645 million.

All of the assets invested internationally were in stocks as of the beginning of the year.

As of March 31, the countries with the strongest investment commitments were Japan, 37%; United Kingdom, 9%; Germany, 5%; France, 5%; and Hong Kong, 4%.

The Frank Russell Trust Co. does not manage the assets itself but uses a diversified group of managers to provide management services for smaller pension funds. The international managers are Capital Guardian Trust Co., G.T. Capital Management, Ivory & Sime Ltd. and Templeton Investment Counsel.

Richard A. Lothrop is client contact.

s

SBC Portfolio Management International Inc.

One World Trade Center, New York,
N.Y. [illegible]048; (212) 938-7465

The equity assets managed by SBC Portfolio Management International, a subsidiary of Swiss Bank Corporation Group, were committed most heavily in Japan, 41%; Germany, 19%; Switzerland, 10%; the Netherlands, 9%; and Australia, 7%, as of March 31.

SBC declined to disclose any information on total assets under management by parent company and subsidiaries, and the amount of U.S. tax-exempt assets managed internationally as of Jan. 1.

Analysts or portfolio managers are stationed in Sydney, Singapore, Hong Kong, Tokyo, New York, London, Zurich, Geneva and Basel, Switzerland.

For investing U.S. tax-exempt assets, SBC uses a global, top-down approach for equities. Country and currency selection precedes industry strategy and stock picking. Decision-making combines longer-term and shorter-term elements, supplemented by quantitative allocation tools. Stock selection focuses on growth (including smaller capitalization companies) and value consideration. Minor fixed-income portions are used to obtain incremental returns. The firm uses currency hedging devices.

The company has been registered with the SEC since June 1982.

The client contact is Peter J. Morant.

Schroder Capital Management International

One State St., New York, N.Y. 10004;
(212) 269-6500

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PLC, managed $130 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $123 million was invested in foreign stocks and $7 million in foreign bonds. The company has seven U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $9 billion as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 57%; United Kingdom, 12%; Germany, 9%; the Netherlands, 7%; and Switzerland, 6%.

Analysts or portfolio managers are stationed in London, New York, Zurich, Tokyo, Hong Kong, Singapore and Sydney.

Minimum account size for individual management is $3 million.

Schroder Capital Management International is a top-down global manager, using independent regional research.

Since 1980, the firm has been registered with the SEC as an investment adviser.

Sharon L. Haugh, first vice president, is client contact.

Schroder, Munchmeyer, Hengst Management GmbH

*Friedensstrasse 6-10, 6000
Frankfurt/Main, West Germany;
(49) 611-2179-256*

Schroder, Munchmeyer, Hengst Capital GmbH, the parent company, and its subsidiaries had more than $500 million in total assets under management Jan. 1; however, the firm has no U.S. tax-exempt money invested internationally.

As of March 31, the equity assets of non-U.S. international accounts were weighted most heavily in Germany, 28%; Japan, 13%; U.S., 12%; the Netherlands, 12%; and France, 10%.

Analysts or portfolio managers are stationed in Frankfurt.

SMH uses a global approach (including the United States) to international investment with emphasis generally on the larger capitalization markets. Its priorities in structuring portfolios are asset mix, country allocation, group and stock selection and currency in normal order of importance. The firm concentrates on creating opportunity in international portfolios rather than diversification and has a rotational investment style.

SMH has been registered with the SEC since 1979.

The client contact is Thomas R. Holmes.

Scudder, Stevens & Clark

*345 Park Ave., New York, N.Y. 10154;
(212) 350-8448*

Scudder, Stevens & Clark managed $60 million in U.S. tax-exempt assets internationally as of Jan. 1 for an undisclosed number of clients. Of this, $50 million was invested in foreign stocks and $10 million in foreign bonds.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $11 billion as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 28%; the Netherlands, 14%; Germany, 10%; Switzerland, 8%; and Belgium, 6%.

Analysts or portfolio managers are stationed in Boston, Chicago, Cincinnati, Dallas, Houston, New York, Philadelphia, Los Angeles, San Francisco, Boca Raton, Fla. and Portland, Ore.

Minimum account size for individual management is $2 million.

For investing U.S.tax-exempt assets, Scudder, Stevens & Clark uses a foundation of research and exploration of investment alternatives whether they are fashionable or not. The company identifies and analyzes the conditions and basic trends of economies, industries and companies.

It has been registered with the SEC as an investment adviser since 1940.

The client contact is C. Lennis Koontz II at (212) 350-8442.

State Street Bank & Trust Co.

*225 Franklin St., Boston, Mass.
02101; (617) 786-3236*

State Street Bank & Trust managed $422 million U.S. tax-exempt assets internationally as of Jan. 1. The full amount was invested in foreign stocks. The bank has six U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $8.7 billion as of the beginning of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 48%; Germany, 10%; the Netherlands, 5%; United Kingdom, 19%; and Switzerland, 5%.

Analysts or portfolio managers are stationed in Boston.

For investing U.S. tax-exempt assets, the bank's approach is flexible, offering a variety of vehicles with varying degrees of active management and risk. The vehicles include a passive index fund of nine markets intended to closely track the EAFE index; a fund indexing the same nine markets, but adjusting allocation according to the bank's own evaluation; and a fund of 25 to 50 undervalued equities of the world's most promising growth companies.

The client contact is Harry Sterling Jr.

Teachers Insurance & Annuity Association-College Retirement Equity Fund

*730 Third Ave., New York, N.Y.
10017; (212) 916-4000*

TIAA-CREF has $1,279 million invested internationally, of which $829 million is invested in foreign stocks for the College Retirement Equity Fund and $450 million is invested in foreign bonds for the Teachers Insurance Annuity Association.

The international equity investments for CREF, as of March 31, were most heavily weighted in Japan 42%; United Kingdom, 18%; Canada, 9%; Germany 7%; and Australia, 5%.

TIAA-CREF's international investments are designed to maximize return through diversification of assets and active management.

Henry A. Frantzen, senior vice president and investment manager of CREF, heads equity investments and Frank J. Pados, senior vice president, directs bond investments.

Templeton Investment Counsel Ltd.

*405 Central Ave. P.O. Box 3942, St.
Petersburg, Fla. 33731; (813)
823-8712*

Templeton Investment managed $270 million in U.S. tax-exempt assets overseas as of Jan. 1. The full amount was invested in foreign stocks. The company has 32 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $2.7 billion as of the start of the year.

As of March 31, the international equity assets were committed most heavily in Canada, 8%; the Netherlands, 6%; Japan, 4%; Australia, 2%; and Sweden, 2%.

Analysts or portfolio managers are stationed in Fort Lauderdale, Fla., and Nassau, Bahamas.

Minimum account size for individual management is $10 million.

For investing U.S. tax-exempt assets, the firm uses fundamental analysis and searches for under-valued securities on a worldwide basis. The approach is long term and flexible inasmuch as there is no initial country or currency allocation. Portfolios are structured with stocks selected on the basis of their relative undervaluation.

Since 1954, the firm has been registered with the SEC as an investment adviser.

Client contacts are Ann-Margaret Ulrich, fund management, in St. Pe-

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tersburg, and Michael Landry, separate accounts, at (305) 764-7390.

Thorndike, Doran, Paine & Lewis/Wellington Management Co.

28 State St., Boston, Mass. 02109;
(617) 742-8100

Thorndike, Doran, Paine & Lewis/Wellington managed $26 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $25 million was invested in foreign stocks and $1 million in foreign bonds. The company has six U.S. tax-exempt clients.

The total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $9 billion as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 51%; with France, Germany, the United Kingdom and the Netherlands each with 6%.

Analysts or portfolio managers are stationed in Boston.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the firm's equity approach is long term, achieved by focusing on a selected, diversified and dynamic group of growing foreign companies. Timely identification of the best relative values among various foreign markets allows the firm to reposition the portfolio to take advantage of valuation changes.

For fixed income, the firm anticipates interest rate trends in each of the countries in which it is invested. Also risk is minimized by investing the major part of the portfolio in government-backed foreign securities.

The firm has been registered with the SEC as an investment adviser since 1960.

The client contact is Jerrold Mitchell, vice president, director, international department.

Touche Remnant Pension Fund Management Ltd.

Mermaid House, 2 Puddle Dock,
London EC4V 3AT England; (01) 236-6565

In March, Touche Remnant obtained its first U.S. tax-exempt client.

As of Jan. 1, Touche Remnant Holdings Ltd., the parent company, and its subsidiaries managed $2.7 billion in total assets.

As of March 31, slightly more than half the international equity assets were concentrated in the United Kingdom, with 24% in the United States; 10% in Japan; 4% in Australia; and 3% in Hong Kong.

Analysts or portfolio managers are stationed in London.

The minimum account size for individual management is $5 million.

Touche Remnant's investment approach for U.S. tax-exempt assets is an equity-oriented, top-down strategy. Security selection is based on in-depth global research with emphasis on financially strong, well-managed growth companies.

The firm is registered with the SEC.

David H. Carter is the client contact.

Travelers Asset Management International Corp.

122 E. 42nd St., Suite 3506, New York, N.Y. 10017; (212) 867-6233

Travelers Asset Management, a subsidiary of The Travelers Corp., has no U.S. tax-exempt assets under management now. It does make international investments in U.S. dollar-denominated securities for a number of offshore clients. Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $700 million as of Jan. 1.

As of March 31, the firm's international fixed-income assets were invested in the securities of these countries: United States, 35%; Japan, 15%; Sweden, 10%; and international institutionals, 20%.

Analysts or portfolio managers are stationed in New York.

Minimum account size for individual management is $5 million.

TAMIC actively manages separate portfolios in international fixed-income securities. Investment tools have been developed to maximize returns that exceed those obtainable in domestic fixed-income investments.

As of February 1982, the company has been registered with the SEC as an investment adviser.

The client contact is Werner R. Genieser, senior vice president.

Travelers Hill Samuel International Ltd.

One Tower Square, Hartford, Conn. 06115; (203) 277-3772

Travelers Hill Samuel International, a joint venture of The Travelers and Hill Samuel Investment Management Ltd., managed $30 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $25 million was invested in foreign stocks and $5 million in foreign bonds. The company has eight U.S. tax-exempt clients.

The total U.S. and non-U.S. assets under management by parent organizations and their subsidiaries were $34 billion as of the start of the year.

As of March 31, the international equity assets were committed most heavily in Japan, 36%; United Kingdom, 14%; Germany, 8%; Netherlands, 8%; and Switzerland, 7%.

Analysts or portfolio managers are stationed in London.

Minimum account size for individual management is $5 million.

For investing U.S. tax-exempt assets, the firm appraises markets and stocks in U.S. dollar terms on the same criteria of long-term value measured by its dividend discount model. Shorter term risk/reward is measured by one-year ranges within which prices are expected to fluctuate. Long-term currency value is measured on a purchasing power parity basis.

As of 1982, the firm has been registered with the SEC as an investment adviser.

The client contact is John C. Parish Jr., executive vice president.

V

Van Cleef, Jordan & Wood

230 Park Ave., New York, N.Y. 10169;
(212) 986-2600

Van Cleef, Jordan & Wood managed $5 million in U.S. tax-exempt assets internationally as of Jan. 1. The full amount was invested in foreign stocks. The firm has no U.S. tax-exempt clients geared specifically for international investment, but is seeking such business.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $205 million as of Jan. 1.

As of March 31, the international equity assets were committed in Japan and Australia.

Analysts or portfolio managers are stationed in New York, Troy, N.Y., and Weston, Conn.

Minimum account size for individual management is $100,000.

For investing U.S. tax-exempt assets, the firm determines future trends of interest rates and inflation and defines an asset allocation model. It utilizes top-down and bottom-up appoaches to determine the upside potential vs. downside risk and the prospective dividend growth to support the stock's valuation.

The firm is registered with the SEC.

The client contact is Carl Lawrence.

Van Eck Management Corp.

270 River Road, Briarcliff Manor, N.Y. 10510; (212) 687-5200

Van Eck Management managed $37 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $35 million was invested in foreign stocks and $2 million in foreign bonds. The firm has 110 institutional U.S. tax-exempt clients invested in its International Investors Inc., an internationally oriented mutual fund.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $455 million as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in South Africa, 66%; Canada, 13%; and the United States, 8%.

Analysts or portfolio managers are stationed in New York City.

Minimum account size for individual management is $500,000.

Van Eck's investment decisions depend upon world business and political conditions, inflationary pressures, foreign exchange relationships and interest rates. Desirable industries are identified on a global basis. Equities are selected on their potential for superior earnings growth, and the company's competitive position and balance sheet ratios. Debt instrument selection depends on credit analysis, foreign exchange and interest rate trends.

The company is seeking ERISA accounts for its separate account investment management program.

Since 1972, the company has been registered with the SEC as an investment adviser.

Nicholas Reitenbach is client contact.

Verus International

30 Broad St., 43rd Floor, New York, N.Y. 10004; (212) 943-9200

Verus International, a subsidiary of Arnhold and S. Bleichroeder Inc., had $16 million invested internationally as of Jan. 1 for the firm's seven U.S. tax-exempt clients. Of this, $15 million was in equity assets.

As of the same date, the parent company and its subsidiaries managed $325 million.

As of March 31, the heaviest commitments of non-domestic equities were in Great Britain, 30%; the Netherlands, 14%; Japan, 13%; France, 12%; and Sweden, 12%.

All analysts or portfolio managers are stationed in New York.

The SEC-registered firm aims for high rates of return from international investments with a concentrated portfolio utilizing a maximum of 30 securities. It builds portfolios on fundamental research of individual securities. Reduction of portfolio risk through international diversification is a secondary consideration for Verus.

Fred Reynolds, vice president, is the client contact.

Virginia National Bank

P.O. Box 3000, Norfolk, Va. 23514;
(804) 441-4063

Virginia National Bank, a subsidiary of Virginia National Bankshares, managed $4.4 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $2.3 million was invested in foreign stocks and $2.1 million in foreign bonds. The bank has 35 U.S. tax-exempt clients.

The total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $894 million as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 28%; United Kingdom, 23%; Germany, 15%; the Netherlands, 15%; and Switzerland, 6%.

Analysts or portfolio managers are stationed in Norfolk.

For investing U.S. tax-exempt assets, the bank uses quantitative models and analyses, along with fundamental research, to support asset allocation and security selection consistent with the client's tolerance for risk.

The client contact is Mark T. Finn at (804) 441-4373.

W

Warburg Investment Management International Ltd.

55 Water St., 29th Floor, New York, N.Y. 10041; (212) 747-8948

Warburg Investment Management, a subsidiary of S.G. Warburg & Co. Ltd., managed $237 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $200 million was invested in foreign stocks. The firm has 14 U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $7.3 billion as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 50%; Germany, 15%; Switzerland, 10%; the Netherlands, 10%; and United Kingdom, 8%.

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Analysts or portfolio managers are stationed in London.

For investing U.S. tax-exempt assets, Warburg moves funds among markets and types of assets in order to exploit inefficiencies that exist within and among international financial markets.

The firm has been registered with the SEC as an investment adviser since 1976.

The client contact is Stephen B. Cohen.

Wardley Marine International Investment Management

250 Park Ave., New York, N.Y. 10177; (212) 949-5827

Wardley Marine is a joint venture of Wardley Investment Services Ltd. and Marine Midland Banks Inc. The company has no U.S. tax-exempt clients or assets now.

The total U.S. and non-U.S. assets under management by both parent organizations and their subsidiaries were $4.1 billion as of Jan. 1.

As of March 31, the international equity assets were committed most heavily in Japan, 33%; United Kingdom, 16%; Australia, 6%; Hong Kong, 6%; and Germany, 5%.

Analysts or portfolio managers are stationed in London, New York, Hong Kong, Singapore and Melbourne.

Minimum account size for individual management is $2.5 million.

The investment approach for U.S. tax-exempt assets is active, top-down and equity oriented, with emphasis on assessment of relative value of one market vs. another. Markets and currencies are weighted regularly.

The firm has been registered with the SEC as an investment adviser since September 1982.

The client contact is Christopher J. Bain.

Wells Fargo International

P.O. Box 63029, San Francisco, Calif. 94163; (415) 396-3778

Wells Fargo International had $6 million invested internationally for two U.S. tax-exempt clients as of Jan. 1. All of the assets were invested in foreign stocks.

The highest concentrations of international investments were Japan, 48%; United Kingdom, 22%; Germany, 9%; Switzerland, 5%; and Australia, 4%.

Minimum separate account size is $50 million; the firm also offers a commingled fund, with a minimum investment of $200,000.

The Wells Fargo Bank international fund is a passively managed collective investment fund for tax-exempt assets designed to provide cost-effective participation in the returns of a broad group of foreign equity markets and to reduce the risk of the total equity portfolio.

Thomas A. Middleton, vice president and director of marketing, is the client contact.

Wertheim-Philippe International

230 Park Ave., New York, N.Y. 10169; (212) 578-0780

Wertheim-Philippe International is a joint venture of Wertheim Asset Management Services Inc. and Philippe Group of Paris.

The company has no U.S. tax-exempt assets or clients now. Total U.S. and non-U.S. assets under management by both parent organizations and subsidiaries were $226 million as of Jan. 1.

As of March 31, the equity assets were committed most heavily in the United States, 46%; Japan, 11%; France, 6%; South Africa, 5%; and Holland, 4%.

Analysts or portfolio managers are stationed in Paris, New York and Luxembourg.

Minimum account size for individual management is $5 million.

The firm's approach to investment is top-down. A key factor in achieving a balanced portfolio is diversification of investments among many countries and sectors. Currency and interest rate considerations affect the attractiveness of various markets. At times, the firm invests for a short period in fixed-income securities. The firm pays attention to a country's political climate.

The firm has been registered with the SEC as an investment adviser since February 1982.

The client conact is Robert P. Follert.

Wood, Struthers & Winthrop Management Corp.

140 Broadway, New York, N.Y. 10005; (212) 902-4393, (800) 221-2832

Wood, Struthers & Winthrop, a subsidiary of Donaldson, Lufkin & Jenrette Inc., managed $5 million in U.S. tax-exempt assets internationally as of Jan. 1. The full amount was invested in foreign stocks.

The firm has no U.S. tax-exempt clients that are specifically geared toward international investments, but an unspecified number have international holdings in their portfolios.

Total U.S. and non-U.S. assets under mangement by the parent organization and subsidiaries were $1.2 billion as of the beginning of the year.

As of March 31, the international equity assets were most heavily committed in Japan, the Netherlands, and Great Britain.

Analysts or portfolio managers are stationed in London, Paris, Zurich, New York, Boston, Chicago, Dallas, Houston, Miami, San Francisco and Santa Barbara, Calif.

Minimum account size for individual management is $1 million.

For investing U.S. tax-exempt assets, the firm's approach is fundamental research emphasizing investments that enhance capital while minimizing risk. Maximization of return is achieved through asset allocation among a variety of investments and diversification within each investment sector.

The firm has been registered with the SEC as an investment adviser since 1949.

The client contact is Angelina M. Painter.

y

Yamaichi Capital Management Inc.

One World Trade Center, Suite 5361, New York, N.Y. 10048; (212) 432-6600

Yamaichi Capital, a subsidiary of Yamaichi International Capital Management Co. Ltd., managed $19 million in U.S. tax-exempt assets internationally as of Jan. 1. Of this, $16 million was invested in foreign stocks and $3 million in foreign bonds and cash. The company has three U.S. tax-exempt clients.

Total U.S. and non-U.S. assets under management by the parent organization and subsidiaries were $270 million as of Jan. 1.

As of March 31, the international equity assets were committed entirely in Japan.

Analysts or portfolio managers are stationed in Tokyo, Osaka, New York, Los Angeles, London and Hong Kong.

Minimum account size for individual management is $1 million.

For investing U.S. tax-exempt assets, the firm's approach emphasizes stable fund growth and investment returns. It stresses research, top-down selection and active/flexible management.

The firm has been registered with the SEC as an investment adviser since March 1981.

The client contact is Teijiro Yamada.

Any international investment adviser not listed in this year's directory that wishes to be included next year should write to Michael Clowes, Editor, *Pensions & Investment Age*, 220 E. 42nd St., New York, N.Y. 10017, Attention: profiles.

U.S. Trust top fund . . .

Continued from page 13

small number of funds, they are ranked together.

U.S. Trust linked its 8.5% return to a 12% weighting in the Netherlands—more than triple its 3.7% weight in EAFE.

"The Netherlands is our play on Germany because it's so close and because the German market is too expensive now," said Kirk Sweeney, assistant vice president U.S. Trust International Corp. U.S. Trust's $12.3 million fund underweighted Germany at 2%, compared with its 9.1% weighting in EAFE.

"We're looking for a strong deutsche mark and when the deutsche mark goes up, you usually get a strong Dutch guilder," said Mr. Sweeney.

As of March 31, the fund weighted Japan at 37.8%; the United Kingdom, 11%; Norway, 1.5%; Italy, 3%; France, 1%; Sweden, 4%; and Australia, 5.5%. During the quarter, it reduced U.S. Treasury bills to 9% from 18%.

Centerre Trust Co., which jointly sets asset allocation with Morgan-Grenfell, said the European markets, Holland, Switzerland and Germany, were responsible for its 7.5% return. John Rabenau, vice president-pension investing, said the $22.1 million fund invested 45% of its assets in Japan, expecting the yen to appreciate against the dollar. Germany was weighted 13%; the United Kingdom, 7%; France, 5%; Holland, 11%; Switzerland, 6%; Hong Kong, 3%; and 7% in Sweden and Denmark.

Chase Manhattan Bank's $91.4 million global international equity fund weighted Japan 41.3%, roughly equal to EAFE. In the Pacific Basin, Chase triple-weighted Singapore, 10.2%, and Hong Kong 5.5%, what Vice President Thomas Connelly refers to as the high beta or high volatility markets. But the fund's performance came from Europe, with Germany weighted at 26.4%, Holland at 7.3% and Switzerland at 6.6%, where there was a strong currency component linked to the very powerful recovery in the German market, Mr. Connelly said.

First of Chicago's international dollar fund benefited from the better returns of Yankee bonds and Eurobonds compared to U.S. corporate bonds last quarter. First Chicago's international dollar fund was up 5.9% vs. 3.2% for the Lehman Bros. Kuhn Loeb government/corporate bond index, said Richard Carr, president. The $39 million fund profited from sales as yield spreads between bonds narrowed. ■

Pension program slated for June

SPRINGFIELD, Ill.—The Illinois Institute for Continuing Legal Education and the employee benefits section of the Illinois State Bar Association will co-sponsor a program "Pension Planning and Practice" June 3, 1983. The program will originate from the institute's Chicago facilities and be broadcast throughout Illinois. The 1983 edition of the Pension Planning and Practice handbook will be available June 3. For information, contact the institute at 2395 W. Jefferson St., Springfield, Ill. 62702. ■

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Bond-market guesswork

Have rates scraped the bottom or will they keep sinking?

By David L. Lindsay

THE BOND market is definitely flying warning flags. The recent decline in rates has been steeper than any since the end of World War II. It already has lasted longer than the average span; by one measure, it has retraced more of the previous advance than any other downswing.

But inflation-adjusted interest rates are remarkably high and there still might be room for further declines.

Bond prices bottomed out in September 1981 and since then, higher-grade issues have rebounded by 40% or so. Combined with the unprecedented interest rates available at that time, the price rally has produced huge returns for bondholders of 1½ times those generated by the stock market upturn.

One way to get your bearings in any market is to compare recent cyclical developments with those of past cycles. There were eight periods of declining long-term interest rates in the post-World War II period prior to the current one (shown in Table I).

At first glance, the past year-and-a-half's decline in interest rates might seem to have run its course, if it is going to follow the pattern of previous cycles. Consider the following comparisons:

- In the current cycle, long-term rates have plunged 6.37 points from 18.5% to 12.13%. The average decline in interest rates for the eight earlier periods was 1.63 points.
- The average percentage decline in the latest downward move has been 34% (6.37 divided by 18.5). The eight-period average was 22%.

While this difference is not so extreme as the raw percentage-point comparison, long rates in this cycle already have tumbled half again as much as in the average cycle. The 34% drop exceeds the previous record of 27% established in 1957-'58.

- On average, bull markets in bonds have lasted 14 months. The latest episode had run 18 months when the table's data were compiled.

The range on bull markets, however, is extremely wide with a low of three months and a high of 40 months.

- Finally, each downward swing in yields has retraced some, but not all, of the preceding rise. (See Table II.)

Each peak topped the preceding one and each trough was higher than the last, so past declines never have erased all of the upward trend. On average, interest rates have dropped back by about two-thirds of the earlier gain.

In the past 18 months, 91% of the 1980-'81 rise already has been wiped out, overshooting the previous record of 78%.

Based on these observations, it would not be difficult to conclude the bond market rally has just about run its course.

But, as always, there are several ways of reading the numbers.

For instance, many economists argue the brief recession of 1980 and the associated decline in bond rates weren't the real thing; instead, they were artificially induced by the credit controls imposed early in that year.

As soon as the controls were removed, the declines in real activity and interest rates were reversed. If this interpretation is accepted, there have been only seven completed periods of falling rates, rather than eight.

By this calculation, the last stretch of rising rates would have run 57 months, from December 1976 until September 1981, easily the longest such period in the postwar era. Long-bond rates rose from 7.8% to 18.5% for a gain of 10.7 percentage points or 137%.

The recent drop from 18.5% to 12.13% represents only a 60% retracement of the previous advance, a figure moderately below average.

Viewed this way, the current drop in rates might be expected to go further.

Interest rate cycles also can be compared on the basis of real, or inflation-adjusted interest rates. The table below compares real rates in the trough months of each postwar cycle.

The real rate for March 1983 seems remarkably high.

With the exception of the November 1949 and June 1980 troughs, the real rates shown in the table below cluster within a band of 0% to 3%.

The current 8.53% return above and beyond inflation is well outside this range, and suggests the possibility of further declines in interest rates.

How far might the rate decline continue? Given the 1.55% average spread of long-bond rates over inflation, the most recent year's 3.6% rise in the price index would imply a nominal trough rate this time of around 5.15%, and rates still would have a long way to fall from 12% or so.

If the 1980 episode is excluded, the expected spread over the inflation rate would be 2.17%, producing a target trough yield of 5.77%, still far below the current level.

Even using the most unfavorable relationship between yields and inflation, the November 1949 spread of 4.57%, the trough rate in the current cycle would be 8.17%, nearly four percentage points below today's rate. However, investors might insist on bigger premiums over inflation than they have in the past.

Greater volatility in interest rates seem to call for a wider safety margin, and there is also an ingrained fear of another upsurge in inflation. ■

David L. Lindsay is senior vice president at David L. Babson & Co. Inc.

Money demand theory . . .

Continued from preceding page

of monetary expansion in the last half of 1982 are near record rates. Every period of comparable money growth has been followed by rapid growth of GNP within one or two quarters.

If recent money growth is the result of extemporaneous Fed stimulus, rather than of rising money demand, the economy should exhibit a broad-based recovery in early 1983. Real GNP should grow 4% at the very least in the first and second quarters.

Any slower pace of output growth, or any sign that growth was concentrated in inventory swings and not fully reflected in final demand, would imply that a significant increase in money demand has occurred, with the Fed merely accommodating this demand.

We expect such a weakening to occur. We believe the secular adjustments to disinflation are not complete, and that as some temporary strength in housing and autos die off, the economy will limp through midyear before a sustainable recovery occurs. This weak economy will cause money demand theories to be widely resurrected to explain why weak GNP and weak velocity can occur alongside rapid M1 growth.

This awareness of money demand changes will lessen anxiety over above-target M1 growths and this, along with the weakening economy, should lead to a sharp decline in interest rates.

In any case, the theory that money demand has increased sharply in response to lower inflation and that this phenomena reflects rapid M1 growth of late has strong support.

Economic theory, the qualitative behavior of the economy under disinflation, and the technical features surrounding M1 growth all back up this theory. The behavior of the economy in the first half of this year will, however, actually vindicate or refute its merits. ■

Michael Bazdarich is vice president, director of forecasting, at Claremont Economics Institute, Claremont, Calif.

Table I

Yield in Bond Market Rallies

Period	Peak Rate (%)	Trough Rate (%)	Point Change	Percent Change	Number of Months	Percent of Previous Advance Retraced
Nov. 1948—Nov. 1949	3.27	2.64	−0.63	−19	12	78
May 1953—Feb. 1954	3.78	2.90	−0.88	−23	9	77
July 1957—Jan. 1958	5.00	3.65	−1.35	−27	6	64
Sept. 1959—Jan. 1963	5.15	4.19	−0.96	−19	40	64
Aug. 1966—Jan. 1967	[illegible]	5.05	−1.10	−18	5	56
June 1970—Jan. 1971	[illegible]	7.00	−2.25	−24	7	54
Sept. 1974—Dec. 1976	[illegible]	7.80	−2.60	−25	27	76
March 1980—June 1980	14.75	11.50	−3.25	−22	3	47
Average			−1.63	−22	14	65
Sept. 1981—Nov. 1982	18.50	12.25	−6.25	−34	14	89

Salomon Bros. New Aa Utilities Issues

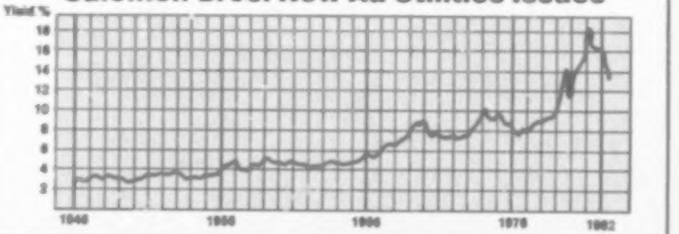

Table II

Date of Trough	Trough Interest Rate (%)	Inflation Preceding 12 Months (%)	Real Interest Rate (%)
Nov. 1949	2.64	−1.93	4.57
Feb. 1954	2.90	1.51	1.39
Jan. 1958	3.65	3.51	0.14
Jan. 1963	4.19	1.37	2.82
Jan. 1967	5.05	3.44	1.61
Jan. 1971	7.00	5.20	1.80
Dec. 1976	7.80	4.92	2.88
June 1980	11.50	14.35	−2.85
		Average	1.55
Nov. 1982	12.25	4.95	7.30

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4 AT&T regions to claim assets Jan. 1

This story was researched and written by Kimberly Blanton, Linda Savage Ruhe and Mark Westerbeck.

> *"The fund restructuring is like building the airplane as it rolls down the runway"*

NEW YORK—The Far West, Northwest, Southeast and Southwest regional telephone companies will begin receiving their part of the Bell System's $45 billion in pension assets Jan. 1, 1984.

Under the proposed reorganization plan for American Telephone & Telegraph, each of the seven regions was given the choice of taking between 55% and 65% of its pension assets Jan. 1 or waiting until they are better prepared to do so.

The four regions have chosen to take some assets Jan. 1 in the option labeled "flash-cut." They will receive the remainder of their assets as AT&T finishes its actuarial evaluations.

The other three operating companies being formed in the divestiture have chosen the "full-service" option, under which AT&T will continue to manage the assets until all actuarial calculations have been finalized.

The full details of the breakup of the AT&T pension fund still are being worked out. Nevertheless, two years after the consolidation of all its operating companies' pension plans into one central plan under 13 master trust banks, AT&T faces the very large task of allocating its 100 or so pension investment managers among the seven proposed regional companies.

Rough preliminary calculations indicate the seven regions each will receive about $4 billion in pension-fund assets. This would leave the restructured AT&T with about $20 billion in pension assets.

This is exclusive of the savings plan assets, which were not detailed by region. AT&T has another $5 billion in savings plan assets.

According to David Feldman, assistant treasurer, AT&T will follow regional lines in allocating asset managers. The first investment firms to revert to the regional plans

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Pensions &
Investment Age®

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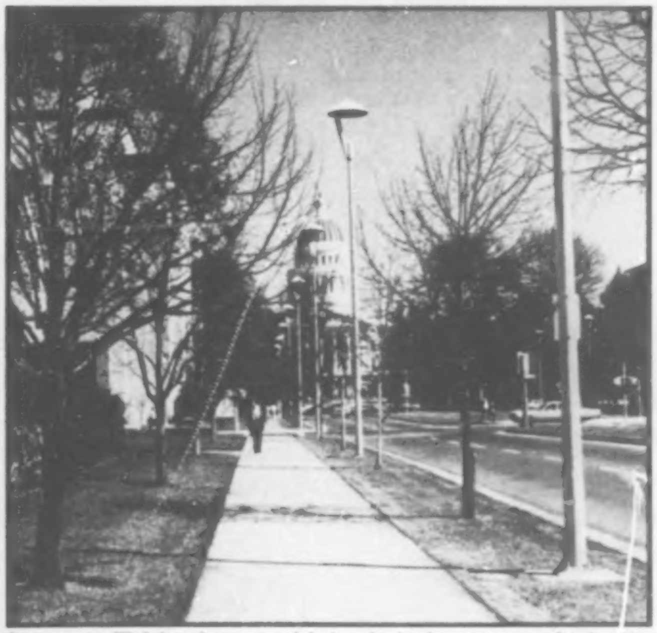

Sacramento: With less than a month before the fund is on its own, the situation was compared to holding 'lifeboat drills on the Titanic' three days after it sank.

Deadline: July 1

$10 billion California fund scrambles for managers

By Steve Hemmerick

SACRAMENTO—$10 billion in pension fund assets may go unmanaged starting July 1 as a result of bureaucratic and political squabbles over staffing for the California State Teachers Retirement System.

Trustees are scrambling to find "interim" outside investment managers for the system before its separation from the California Public Employees' Retirement Fund.

Although the legislated split is to occur July 1, no investment staff has been hired for the system, and Executive Director Michael Thome said the search for outside management was one of "several alternatives" being studied.

However, he added many investment firms are saying 'no' to the proposal, primarily because it would be an interim assignment.

The system apparently still hopes for an in-house staff, the beginning of which it thought it had several months ago.

But bureaucratic and political squabbles over salaries for investment staffers resulted in the resignation last March of Mel Petersen, the teachers' chief investment officer and the only investment staff member it had.

"Something must be done to help us," Dorothy Mosher, vice chairman of the teachers' retirement board told some key state legislators the day before a special investment meeting was held. A bill passed by the Legislature last year separates on July 1 the assets of the teachers' system from the $18 billion California Public Employees' Retirement system, which had been managing both systems' assets.

But the teachers' system still had no replacement investment staff as the separation was to take effect. In fact, things were so confused by

Continued on page 47

Graniteville Co.

Pension funds key in acquisition talks

By Nancy Webman

GRANITEVILLE, S.C.—The $25 million overfunded portion of Graniteville's $60 million in pension assets is being used as partial collateral in a proposed leveraged buyout.

The buyout proposal, by URSA Corp., was made in an attempt to stave off a takeover of Graniteville by Southeastern Public Service Co., controlled by Miami Beach financier Victor Posner. Southeastern controls about 23% of Graniteville.

URSA lined up a $120 million line of credit with Manufacturers Hanover Commercial Corp. to help finance the planned $145 million acquisition; $25 million of the credit line is against the amount due from the pension plan overfunding.

URSA was formed to acquire all the 4.94 million outstanding shares of Graniteville, including

Continued on page 50

Block holding spurs suit

Macmillan files suit, while David J. Greene sells shares

By Kimberly Blanton

NEW YORK—Investment adviser David J. Greene and Co. has sold the 1 million-share block of common stock that spurred a lawsuit by Macmillan Inc.

The publishing firm in a suit filed in U.S. District Court accused principals at David J. Greene of masking what it claims was their true intention of selling the block to a third party at a premium or in some other way attempting to "manipulate" the share price.

It charges that in not stating its true intention, the firm's filings with the Securities and Exchange Commission were false.

The lawsuit also cites inadequate disclosure of violations of the Employee Retirement Income Security Act in investing tax-exempt investors' accounts, and points to the fact that partners of David J. Greene were invested in the stock to a

Continued on page 53

Late news

Bank assumptions

NEW YORK—Nearly 70% of the largest U.S. banks raised investment-return assumptions used in funding pension plans during the past two years, according to a study by Buck Consultants Inc.

The average investment-return assumption used by large commercial banks is 7.4%. Nearly 70% of 51 banks surveyed by the employee benefits consulting firm use assumptions in the 7% to 8% range. The highest assumption used was 9%, while the lowest was 5.5%.

About 43% of the banks raised investment-return assumptions in 1982, while 18% revised them as

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**Banks take a new tack:
Circumvention at the state level**
In Corporate Finance, page 33

South Africa investment study

Higher risks, less diversity seen in divested portfolios

COLUMBUS, Ohio—Divesting the stock of companies doing business in or with South Africa could have "significant consequences" for a pension fund, an Ohio group states.

According to a report by the Ohio Retirement Study Commission, higher risks and less diversification could result from total divestiture.

But the study also states "it is debatable whether divesting and excluding 'South African investments' achieves anything.

"There is . . . somewhat more support for the proposition . . . supporting a policy which pressures American companies to set a good example in their South African operations . . . ."

> *"It is debatable whether divesting and excluding 'South African investments' achieves anything"*

The study was conducted by the commission at the request of the Ohio Legislature in response to two bills that would affect portions of the five state public pension funds. The funds have assets totaling more than $11 billion.

Both bills would prohibit investment in American corporations that have any business relationship with South Africa or investments located in South Africa.

One bill adds an additional prohibition against investing in any bank or building and loan association that makes loans to either the South African government, South African businesses or a subsidiary or affiliate of a U.S. company operating in South Africa, according to the study.

Both bills are broadly drawn and the aim is the same—to help institute an economic boycott against South Africa, the study adds.

The commission raises—and attempts to answer—four questions about the restriction of pension fund investments in U.S. companies with South African business operations:

- Would a restrictive investment strategy result in a lower rate of return on investments, thus jeopardizing future pension benefits?
- Would the use of restrictive investment criteria violate the legal and fiduciary responsibilities of the pension fund trustees?
- Would such a strategy, in the aggregate, influence American corporate policy in this area?
- Would the strategy influence the South African government in the area of race relations?

The commission said that while the evidence is not conclusive that lower returns would result, higher risk and lower diversification might indeed result. However it said that as long as other investment opportunities offer equal return potential, and there are no diversification problems, South Africa related companies could be excluded without violating the trustees' responsibilities.

The study added it was debatable whether such a strategy would affect policies directly because South Africa is not overly dependent on U.S. investments.

Although few public pension funds have adopted restrictive investment strategies dealing with South Africa, those that have fall into three categories, according to the study.

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Lucas and Curtis air views of proposed FASB rules

CHICAGO—Proposed regulations on pension fund disclosure would serve only to change corporate debt/equity ratios, or force companies to use accounting methods that are not in their best interest, according to James A. Curtis of the Seattle actuarial consulting firm Milliman & Robertson.

However, the emphasis in the proposed Financial Accounting Standards Board regulations is to make pension fund information more understandable, Timothy S. Lucas, project manager of the FASB, told conference participants here.

Both Mr. Curtis and Mr. Lucas were speaking at a National Employee Benefits Institute meeting here.

Mr. Lucas suggested that users of the information on a company's balance sheet, like investment analysts and those that issue credit, have difficulty understanding what a company's pension costs and liabilities really are because of the multiplicity of methods allowed for funding the pension plans.

He said the proposed FASB pension reporting guidelines would clarify this information for the users. He said the proposals have been based on several beliefs:

- Pension benefits are compensation, not a gratuity.
- The cost of an employee's pension should be recognized during the employee's working life.
- The employer has an obligation for benefits already earned.
- The plan benefit formula should provide evidence of benefits earned.
- Plan funding may be based on other factors.

Responding to Mr. Lucas, Mr. Curtis, president and chief operating officer of Milliman & Robertson, suggested there were cases where the proposals would force employers to put more into their pension plans than they would be

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Vol. 11, No. 12—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Late news

Continued from page 1

early as 1981. For a two-year period, the average increase was 1.3%.

Four banks changed this key assumption for both years. Another decreased it by 0.5% in 1981.

"Interestingly, nine of the banks now use a separate, higher investment-return assumption for all or a portion of the liabilities for retired participants," said Douglas C. Borton, Buck's chief actuary. "Generally, the higher rate is tied to a high-yield, dedicated portfolio."

Venture capital head

New York—Archie J. McGill, former president of American Bell's Advanced Information Systems division, has joined Rothschild Inc. to head up its venture capital group.

Mr. McGill, 52, will serve as president and chief executive officer of Rothschild Ventures Inc., according to Robert Pirie, president and chief executive officer of Rothschild Inc. The venture unit is being restructured as a wholly owned subsidiary of the investment firm.

New Coke executive

ATLANTA—The Coca-Cola Co. is in the process of hiring a new officer to oversee its $260 million pension fund, according to sources.

The new executive will take control from Thomas H. Jewett, assistant treasurer, who is nearing retirement, the sources said.

New Copley venture

BOSTON—Copley Real Estate Advisors Inc., a specialist in developmental joint ventures, has solicited Morgan Stanley Brooks Harvey to market a $440 million closed-end partnership to major pension funds and endowments.

New England Mutual Life Co., Copley's parent, has kicked in $220 million worth of real estate assets from its general account with the intent of filling out the partnership with pension fund cash.

California sells stock

SEATTLE—The $18.7 billion California Public Employees Retirement System sold off its entire holdings of Seafirst Corp. stock at "some" loss, according to fund officials. Seafirst is being acquired by Bank of America.

A PERS investment officer said the fund decided it would be better off selling the shares and putting the proceeds into its new index fund, rather than tendering to Bank of America.

Since the takeover bid in April, the California fund has sold its 535,000 shares, or 3.3% of total shares outstanding, at an average of about $13 a share. The tender offer is estimated at about $15.20 a share, but it includes preferred stock whose value depends on the performance of the energy loan portfolio.

Sandoz appointments

EAST HANOVER, N.J.—Sandoz Inc. hired BEA Associates, New York, as an equity manager for $5 million of its $116 million pension fund effective July 1, according to Robert Yelin, manager of investment funds. In addition, Wentworth, Hauser and Violich, San Francisco, replaced Brown Bros. Harriman & Co., New York, as sole manager for Sandoz's $8 million Voluntary Employees' Beneficiary Association fund.

Continental named

CHICAGO—Laidlaw Bros., a division of Doubleday Publishing Co. based in River Forest, Ill., has named Continental Illinois National Bank and Trust Co. master custodian for its profit-sharing and savings plans, according to sources. The funds reportedly have $15 million in assets.

New closed-end fund

SAN FRANCISCO—Montgomery Securities raised $25 million for a closed-end bridge fund to invest in companies on the brink of going public. Money was raised from six pension funds, five insurance companies and several private family endowments, according to Tom Weisel, senior partner, who would not reveal the investors' identities. Minimum participation was $500,000 but some institutions put in up to $15 million.

The fund's first closing was in January and its second in March.

Two advisers hired

ABILENE, Texas—Abilene Christian University hired Trident Investment Management, Paramus, N.J., for bonds and Estabrook Capital Management, New York, for equities to manage its $5 million non-contributory retirement plan, according to Tim Yarbrough, its investment analyst.

E.F. Hutton, Dallas, which served as a consultant on the manager search, was appointed custodian/broker.

Institutions dive into aerospace stocks

But IBM stock bombed the first quarter

SILVER SPRING, Md.—Apparently convinced that Congress would not trim significantly President Reagan's planned defense buildup, institutional investors made aerospace stocks their top purchase in the first quarter of the year.

At the same time, International Business Machines fell out of favor with the institutions, who were net sellers of $394 million of the computer company's stock.

According to Computer Directions Advisors here, the institutional investors bought $2.02 billion of aerospace securities in the quarter and sold $1.06 billion, for net purchases of $967 billion.

The institutions were heavy net buyers also of office and business equipment stocks, communications equipment manufacturers, automobile stocks and railroad stocks.

Indeed, they were net buyers of more than $589 billion of office equipment stocks, $499 billion of communications equipment manufacturers and $405 billion of auto stocks.

The institutions also clearly were betting on the economic recovery, purchasing cyclical issues such as railroads, $370 million; miscellaneous metals, $328 million; miscellaneous chemicals, $271 million; paper, $208 million; building materials, $194 million; chemicals, $177 million; and aluminum, $158 million.

On the other hand, drug com-

Continued on page 6

$1.8 billion in assets used

Funds play a growing role as corporate financing aid

By Nancy Webman

DALLAS—More than 33 companies have used about $1.8 billion in pension fund assets for corporate finance purposes in the past 18 months.

A survey by *Pensions & Investment Age* showed the use of pension assets as corporate finance tools by plan sponsors is becoming increasingly popular, especially among struggling companies.

However, some of the actions are drawing fire from some members of Congress, and others who were involved in writing the Employee Retirement Income Security Act.

The $1.8 billion represents transactions reported by *P&I Age*. Observers suggest a number of similar transactions went unreported, so the final tally could be higher.

Although digging into pension funds as a source for corporate finance was done by some companies prior to the passage of the act, the bulk of the post-ERISA use began late last year with a rash of noncash contributions and plan terminations in which excess assets reverted to the corporation.

Included in the $1.8 billion figure are the following types of transactions:

- Contributions of stock, bonds, real estate, oil and gas royalties and leasehold interests in lieu of cash (almost $1.1 billion).
- Termination of overfunded plans where excess assets revert to the company and are used for such purposes as debt reduction (about $668 million).
- Other moves include sales of property or facilities to the pension fund by the corporation; purchases of real estate by the fund and leased to the corporation; and equipment loans to the corporation from the fund.

The use of employee stock option plans was not included.

Interviews with more than a dozen attorneys, consultants, corporate finance experts, government officials and others knowledgeable about the use of pension assets in corporate finance reveal myriad reasons for the proliferation of these transactions.

> *"It's an area of financing a business that has not had sufficient attention paid to it."*

One frequently named is the maturation of ERISA. Although the law was passed nine years ago, it took a number of years for people to become comfortable with it.

Roger Thomas, a staffer for the U.S. House Select Committee on Aging, which is studying such issues as terminations and non-cash contributions, said employers engaged in circumspection for about five years after ERISA became law. "There was fear and intimidation, and many employers were chagrined to try anything," Mr. Thomas said. "Now, employers are less uncomfortable. Their counsel and consultants are more knowledgeable and know the limitations, so they look for loopholes."

"There is the realization now that ERISA is something that can be lived with and worked with as opposed to an initial reaction of intimidation," added Dave Eager, corporate vice president and national director of Meidinger Asset Planning Services Inc.

In addition, the current economic climate and its effect on some companies have prompted the actions.

"It has been driven by the economy to a degree, principally with stock contributions," said Dallas L. Salisbury, executive director of the Employee Benefits Research Institute.

Attorney Gloria Pollack, an expert in plan terminations and reversions, said terminations come up "when there's a distress signal ... I don't think in the ordinary course of things people say, 'Oh boy, look at this pot of money. Let's terminate the plan.' "

In the case of stock or bond contributions, such transactions often are made by healthy companies that have an immediate cash flow problem, said Jim Rotenberg, a benefit consultant at Buck Consultants. These contributions might be made simply for cash conservation, he said.

Another reason given for the increasing use of pension fund assets is the recent rise in acquisition activity.

According to Ms. Pollack, acquisition experts now routinely examine the pension fund when considering taking over a company. The purchase price might be affected if the plan is overfunded, she said.

"Overfunding makes the company more attractive ... That's just part of your due diligence. Generally, it's not what makes or breaks the deal," the attorney said.

Pension assets also are used frequently for defense during a takeover attempt, in "burying employer securities in friendly hands," Mr. Rotenberg noted.

Others pointed to the actions as

Continued on page 52

Corporate use of pension assets

Company	*Amount ($ million)*	*Transaction*
Alcoa	57.9	common stock contribution
American Airlines	14.6	preferred stock contribution
American Motors	17.6	common stock contribution
AM International	65.0	termination/reversion
A&P	200.0	termination/reversion
Armco	50.0	preferred stock contribution
A.G. Becker	10.0	termination/reversion
Boise Cascade	15.6	timberland sale to fund
Burroughs Corp.	30.0	sale leaseback
Continental Air.	18.0	termination/reversion
Corning Glass	1.7	limited partnership interest
Dan River	10.0	termination/reversion
Diamond Shamrock	18.0	oil, gas royalty contribution
Dresser Industries	25.0	bond contribution
Eastman Kodak	240.8	common stock contribution
Exxon	54.0	real estate contribution
GAF	40.0	termination/reversion
Grumman	44.3	common stock contribution
Harcourt Brace	28.8	fund for corporate headqtrs.
Harper & Row	9.8	termination reversion
Ideal Basic Ind.	6.0	preferred stock contribution
Lear Siegler	5.6	leasehold interest
LLC	0.8	termination/reversion
LTV	25.0	bond contribution
Martin Marietta	75.6	common, preferred stock contr.
Occidental	248.0	termination/reversion
Republic Steel	25.0	preferred stock contribution
Reynolds Metals	30.0	preferred stock contribution
Swank	4.0	termination/reversion
Time	4.0	termination/reversion
Triangle	8.0	termination/reversion
U.S. Steel	335.0	preferred stock contribution
Western Airlines	50.0	terminations/reversions
Wheeling Pitts.	26.3	preferred stock contribution
Yenkin Majestic	0.22	equipment loan
Total	$1,794.6	

PBGC elects to test portfolio insurance

By Steve Hemmerick

LOS ANGELES—A planned test of "portfolio insurance" by the Pension Benefit Guaranty Corp., if successful, could lead to much more widespread use of the product by plan sponsors.

The three major vendors of portfolio insurance—Leland O'Brien Rubinstein Associates, Wilshire Associates and Kidder, Peabody & Co. Inc.—have run into some resistance with money managers saying the product is "too good to be true."

Yet, interest is being shown and a test is planned by the PBGC, which is supposed to be among the most prudent of investors since it becomes the trustee for terminated plans that don't have sufficient assets to pay guaranteed benefits.

The PBGC test should give some important insights in the workings of portfolio insurance, including how it works with and without money managers. According to a PBGC spokesman, a pilot program scheduled to begin about next month will use "several million" of the $650 million in assets held by the PBGC.

Portfolio insurance is supposed to assure that the user gets a "floor" or minimum return. Depending on the exposure sought, the product could assure the user of a limited loss of principal, no loss of principal or a return equal to the interest assumption for the period the product is used.

While assuring a minimum, it also allows the user to expose an often significant amount of assets to upside potential, 90% and more in some instances of a portfolio's "terminal" value.

It does this by expanding or contracting, based on complex mathematics, the amount of money in Treasury bills or other fixed-income security, and an active equity management account.

Portfolio insurance is supposed to do something many plan sponsors have said they always have wanted to do: go up to some degree when the market is moving upward, but especially to cut off the declines early. Sponsors have said they want this because if the market falls 33%, they have to go up 66% to get back to where they were.

So far, the PBGC has done "extensive simulations" with portfolio insurance, and talked with the three major vendors. It now will test it for a six-month to one-year period. The test should examine the "mechanics" to see if the insurance works as well in the field as in theory. Other aspects of the test should examine how it works with and without money managers, and how it works in different market environments.

Dennis Tito: Better market expected for Wilshire's year-old product.

In the test, the PBGC will use Leland O'Brien Rubinstein's product, Dynamic Asset Allocation. John O'Brien, president of LOR, says more than $500 million in assets is now protected by his product. Mr. O'Brien says that some cataclysmic event could affect the promised return; if, for instance, the New York Stock Exchange closed one day and opened 150 points lower the next. "It hasn't happened yet, but World War III might be enough to do it," he said.

Mr. O'Brien gave some examples of the upside exposure available to a user. In one example, the user would be asking for a minimum return of "zero"; in other words, the

Continued on page 52

No revolving door seen for advisers

Many sponsors find hiring managers is easier than firing; 'It gets emotional'

By Nancy Webman

DALLAS—Despite the proliferation of quantifiable data to evaluate when selecting and terminating investment managers, sponsors and their consultants say firing managers still is harder than hiring them.

Personal relationships between sponsors and managers, a sponsor's reluctance to admit to making a mistake, fear that the replacement manager will be worse than the terminated one and, in the case of bank trust departments, the existence of business relationships between the pension fund's sponsoring corporation and the bank all contribute to the uneasiness a pension fund officer has when it comes to firing a money manager.

"Sure, it's easier to hire; that's the good news," admitted Craig Heatter, administrator of the Dallas Employees' Retirement System.

"The termination process should be easier than the selection process, but it's not. It gets more emotional," said Dave Eager, corporate vice president and national director of Meidinger Asset Planning Services Inc.

Janice Murphy, senior financial analyst for pension fund analysis at Pacific Gas & Electric Co., said the PG&E fund is in the process of drafting investment guidelines and policy that, in part, are designed to make the termination process less emotional and more objective.

Part of the policy covers reasons for a formal review of investment managers for periods shorter than a normal market cycle. A manager suffering from at least two of the four factors would be a likely candidate for termination, Ms. Murphy said.

The reasons include: an absolute decline in the rate of return twice that of the allowable variance; performance below the 75th percentile of an appropriate universe; reclassification of the manager's investment style and policy from the manager's previously stated definition; and a change in at least two of the principals of the firm or the fund's portfolio manager.

Ms. Murphy acknowledged termination still will be somewhat subjective. But she added the guidelines will help PG&E's man-

Continued on page 54

Funds used in financing . . .

Continued from page 3

part of a basic move toward integrating the pension fund into the corporate finance area of the company.

"There are more sophisticated tools for integrating the corporation's financial statement with the pension fund's financial statement," said Mr. Eager of Meidinger. Actuarial firms such as his are doing new modeling work in that area.

"Generally, the trend is healthy, positive," Mr. Eager said. "It's an area of financing a business that has not had sufficient attention paid to it."

Almost all of those interviewed pointed to this new attention being showered on the pension area. Employee benefits are "becoming an integrated part of the corporate finance realm," said Mr. Salisbury of EBRI.

Gary Pines, senior vice president at Meidinger, said the financial executives at corporations now ask, "What does the pension fund mean to the profit and loss of the company?"

Until the funds' assets and investment returns began to climb steadily only a few years ago, Mr. Pines noted, "it was peanuts."

Mr. Rotenberg of Buck Consulting said corporate financial officers see stock and bond contributions as a means of "warehousing" securities, perhaps helping to maintain a certain debt/equity ratio or keeping a certain number of shares outstanding. In addition, the corporation might be able to reduce underwriting costs and create marketability for its shares: "get them into the public's hands very quickly, a quick float in the marketplace," he said.

In addition, there is the continuing debate over whether pension assets belong to the plan participants or to the corporation.

Mike Gordon, an attorney who helped draft ERISA, said there is a "fundamental philosophy" among many corporate executives that says the "assets belong to the corporation, not to the employees. It's as much a question of corporate ethics as law."

One consultant, who asked not to be identified, said the increased use of pension assets by corporations "is a very bad trend because the primary purpose of the pension plan is to provide benefits for retirees," not to aid the company.

Some experts note part of the increase may also be due to the action, or lack of action, taken by the Department of Labor and the Internal Revenue Service and the lack of public scrutiny of the situation.

"There is no public pressure, no media outcry, that says it is socially irresponsible to get into this business" of terminating plans to accomplish corporate goals, Mr. Salisbury commented. "The environment you'd want to do things like that in is the environment we're in now."

Ms. Pollack, the corporate attorney who works on terminations and reversions, said the Labor Department has, for example, taken the position that terminations are a management decision, not a fiduciary one, and case law during the past year has supported that.

Mr. Thomas, from the House Select Committee on Aging, said the department "is not doing its job. Why should management stop if the enforcement agencies don't care? It has become clear to Wall Street, the corporate attorneys and the consultants that the DOL is incapable or unwilling to act."

Mr. Rotenberg suggested the Pension Benefit Guaranty Corp. should be more interested in stock and bond contributions when "companies on a downslide put securities into an (underfunded) plan."

Several attorneys said they believe the Labor Department should be more aggressive.

"If I were at the DOL, I'd take the hardest line possible, and if the courts loosen it up, fine," said Ian Lanoff, former administrator of the department's Pension and Welfare Benefits Program.

Messrs. Thomas and Gordon added that the lack of strong action by the department except in extreme cases will make it harder to pass the remedial legislation they believe is necessary to close up loopholes in ERISA that allow these corporate maneuvers.

Provisions within ERISA for terminations and reversions, for example, were conceived because the framers of the law thought the excess assets would be the result of actuarial errors, Mr. Thomas said.

"I don't think anybody foresaw the deliberate stamping out of a defined benefit plan . . . for manipulative takeover reasons. Nobody thought they'd try to replace a defined benefit plan with those jerky ESOPs," he added.

Naturally, opinions vary widely on whether the use of pension assets by the corporation is good or bad.

Mr. Rotenberg of Buck said: "If the company is a viable company, I have no problem if it has an immediate cash-flow problem" and solves it by contributing stocks or bonds, whose value can be ascertained.

"A company with no place to go, in its last throes of existence, I have a problem with that."

What disturbs him most is that stock contributions began with "strong, institutional companies" who took a "reasonable concept with a lot of thought and a lot of help from the marketplace. Now, it's being done by weaker companies, some on the verge of bankruptcy."

Mr. Pines, from Meidinger, said he could envision recommending a company terminate its plans and recapture the excess assets. However, he sees an alternative that apparently no one has tried.

He suggested a company create a new plan. In one plan would be the excess assets and the retired lives; in the second would be the active participants. The company then would terminate the first plan, purchasing annuities for the retired lives and making use of the excess assets. The other plan, for active participants, would continue.

Don Grubbs, a consultant and actuary at Buck Consultants, believes the corporation has the right to take the excess assets. One way to avoid termination would be to reduce contributions and save money on a year-to-year basis, he said. He added he is indifferent to the use of pension assets as a corporate finance tool "as long as it's a small portion of the assets." Termination, however, "is an undesirable, inadvisable thing to do in most circumstances," Mr. Grubbs said.

The consultant who requested anonymity views terminations/reversions as "dreadful, like a pre-ERISA riverboat gambler . . . a signal to banks, the government, unions, etc. that the company is in trouble. To me it's an even more desperate situation" than non-cash contributions.

"This is all a very bad sign for the private pension industry," he added.

Messrs. Thomas and Gordon were the most vocal opponents of the practices.

"Corporate management in the most dire way is using plan assets and emasculating ERISA," Mr. Thomas said. "These are only minor permutations of what Congress found repugnant."

Continued on next page

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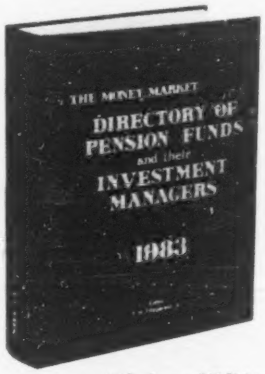

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Macmillan . . .

Continued from page 1

small degree along with their clients.

The New York investment advisory firm on June 6 sold a 1,007,000-share block in the open market, receiving $36 per share. Beverly Chell, assistant general counsel for Macmillan, said that as a result of the sale, "I believe that the suit will be dismissed voluntarily by Macmillan." As of presstime, however, it was still effective.

Alan Greene, managing partner for David J. Greene, said the firm bought the shares because it viewed Macmillan as a good investment in an under-valued stock, and sold the shares because it decided to reap the profit from the price appreciation. He said the firm did not feel pressured to sell the shares.

Mr. Greene said the firm purchased the shares that were sold for an average price of $13 over the course of three years.

At the time the suit was filed, the investment advisory firm held about 11.3% of the 9.43 million shares outstanding.

According to the suit, 999,156 shares of the holdings were in discretionary taxable and tax-exempt customers' accounts. The remaining shares were held by principals of David J. Greene or their relatives.

The firm has $637 million under management, of which $471 million is tax-exempt.

Mr. Greene dismissed the suit as baseless and a tactic "to pressure our clients to sell their Macmillan stock."

He said Macmillan personally contacted David J. Greene's clients, "in effect threatening (them) with a lawsuit if they didn't sell their stock."

Macmillan's suit acknowledges it contacted clients, including CPC International Inc. for which David J. Greene manages tax-exempt assets.

Documents filed with the suit contain an in-house note concerning CPC's ownership of Macmillan stock, in which an unidentified associate advised Walter Volpi, Macmillan's counsel, "I spoke with Mr. Short, the (CPC) general counsel. I asked their position on the suit and he indicated that it was Greene's problem. I disabused him of that and tried out the ERISA arguments on him."

Macmillan has not been the object of any takeover attempts, according to one analyst. However, he indicated the firm might be sensitive about anyone holding a large share in it because it has just begun to turn around after a reorganization under new management.

Macmillan's suit, filed April 28 in U.S. District Court in New York, charges the investment management firm, on behalf of clients and principals, accumulated the shares "to manipulate its price and/or peddle the accumulated shares as a block at a premium to someone who wanted to take over Macmillan."

The suit alleges the firm hid its intention behind its clients.

"Greene also improperly used the assets of its discretionary account customers to purchase Macmillan stock, thereby leveraging Greene's own position by using customer funds, and then warehoused that stock in their accounts until Greene deemed that the time was ripe to reveal its true intentions," the suit states.

The suit charges that by "purchasing the stock slowly and warehousing much of it in the accounts of certain of its discretionary account customers, Greene sought to avoid detection of the conspiracy and prevent any increase in the price of Macmillan stock due to (its own) purchases." The suit says this might constitute a violation of ERISA, which the firm failed to disclose.

"Assuming there was a violation of ERISA, our allegation would be (David J. Greene) failed to disclose that," explained Macmillan's Ms. Chell.

The basis of Macmillan's suit, is that the investment firm "did not meet (filing) requirements" by filing only the 13-G shortened reporting with the Securities and Exchange Commission, Ms. Chell said. Instead, a 13-D, detailing its intent was in order initially, she charged.

"In its Schedule 13-Gs, Greene repeatedly disclaimed any intention to influence or affect control of Macmillan, but stated that the purchases were made 'in the ordinary course of its business.' These statements were materially false," the suit charges.

Securities law requires an investor to make a 13-D filing upon acquiring more than 5% of a company's outstanding stock. However, because investment firms make passive investments on behalf of a group of clients, they often file an abbreviated 13-G instead.

David J. Greene made a 13-D filing Feb. 4 for holding 11.32% of the shares. The suit, however, charges it should have done so initially so its intentions could have been detailed immediately.

Mr. Greene said the firm filed the 13-D in February because Macmillan's stock price, at $24 per share, was approaching the target sale price the firm had set when it made the investment.

In its February filing, the firm stated it might "contact one or more investment banking firms in an attempt to secure a purchase for those shares who may or may not seek to obtain control of (Macmillan), to make a tender offer for additional shares, or to merge with (Macmillan)."

Mr. Greene explained the firm stated this because "under the law, you have to keep all your options open." He asserted the firm never had an intent to aid a takeover.

Mr. Greene said although the firm sold all the shares owned by clients, some of the partners still owned some shares.

It is not known how widespread the practice is of investment advisory principals investing for themselves along with clients.

However, principals at two other investment firms said buying similar stock holdings for themselves and clients creates at least the appearance of conflict of interest. Both firms said their internal rules prohibit such actions. ■

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FASB . . .

Continued from page 2

able to get tax credit for.

He also suggested the guidelines would force companies to amortize their liabilities for slightly more than seven years rather than the current actuarial methods, which advocate 10-, 20- or 30-year funding.

Companies also might be forced to use interest rate assumptions of 11%, 12% or even 14% so their assets and balance sheets would balance, he said.

Mr. Lucas at first would not comment on how the final FASB regulations on interest-rate assumption would look.

But after speculation by Mr. Curtis, Mr. Lucas went on to say that he would be surprised if the regulations did specify an interest rate or advocate using a standard such as a rate set by the Pension Benefit Guaranty Corp. ■

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Mr. Willis leads APPWP

WASHINGTON—For the first time in the 15 years of the Association of Private Pension and Welfare Plans, a corporate financial officer will head the benefits lobbying group.

Raymond L. Willis, assistant treasurer for United Technologies Corp., Hartford, Conn., has taken the role of chairman. He succeeds Douglas Stegner, chairman and chief executive officer of Meidinger Inc., a benefits consulting firm based in Louisville, Ky.

The election of Mr. Willis, who handles benefits management and is also responsible for fixed-income and real estate investments for United Technologies' $3.7 billion retirement plans, reflects the growing importance of issues in Washington that face employers.

Legislation affecting benefits is "so significant for our capital markets, the health of the U.S. economy and most importantly for the retirement security of millions of Americans," Mr. Willis said.

The group will focus on taxation of employee benefits, criticizing Congress for looking for "short-term revenue gains" at the expense of the private retirement system.

But there also is growing interest in investment issues in the APPWP. For the first time, the lobbying group has set up a panel of 20 members to develop positions on social investing. And the organization already opposes any efforts to "restrict or direct investments for 'divergent' purposes." ■

Pension funds used . . .

Continued from preceding page

"It's like some kind of contagious disease, and that is very troublesome," Mr. Gordon said. He noted exemptions granted by the Labor Department in the area of prohibited transactions "show the continuous employment of these pension fund resources as if they were simply adjuncts of the corporation . . . I think this shows how horrific the results would have been" without the prohibited transaction rule, he said.

Some of those interviewed, including Ms. Pollack and Mr. Salisbury, believe the use of pension assets by the corporation is isolated, rather than part of a growing trend. The cases cited in the accompanying chart are the exception, not the rule, to common practice, he said.

Others disagree strongly.

"I think they're going to be around. As situations change, the tactics will change now that corporations understand there is this huge mass of assets. It's a temptation," commented Mr. Lanoff.

Mr. Rotenberg said he believes almost every major corporation has considered contributing stocks or bonds in lieu of cash. "I think it's snowballing; it's going to be a continuing trend." ■

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Direct debt sale nets fee savings

By Pavan Sahgal

Corporate finance

PHILADELPHIA — CIGNA Corp. is saving 12.5 basis points on dealer fees alone by selling commercial paper directly to buyers.

Its total savings since it started selling its own paper in May add up to around 30 basis points. Some of the savings are because CIGNA can offer securities of shorter maturities than customarily traded by dealers.

"As our investor base grows, we think we may be able to knock a few more points off there," said William J. Lucky, director of corporate finance.

The move was possible because of computerized back-office operations and the existence of a ready institutional clientele — a situation that is making it easier for other large corporations to sell directly as well.

CIGNA hopes to realize even more savings with another revolutionary move it is considering — in-house electronic banking to pay off its maturing debt.

It plans to generate automated clearing house messages on its own terminals along with the customary maturity letters informing its bankers to pay off the debt on the due date. The move is expected to cost the insurance and financial services company 15 cents per transaction, vs. the $10 to $15 wire charge it normally pays on funds transfers.

Because such innovative moves are unlikely to be made by smaller companies or ones that do not have a constant need

Continued on page 50

SEC clarifies underwriter question in direct buys of issues by institutions; page 2.

Wells Fargo's new twist

Stock index futures used on index fund investment

By Kimberly Blanton

MINNEAPOLIS — Wells Fargo Investment Advisors is buying and selling stock index futures for General Mills as an arbitrage on its investment in Wells Fargo's pooled index fund.

In an innovative twist on index fund management, Wells Fargo is purchasing Standard & Poor's 500 futures contracts when they are priced below the market index.

Otherwise, General Mills will ride the market in the S&P 500 passive index fund investment, a portfolio of stocks weighted to track that market's return.

A stock index future is a contract to buy or sell the stock market index for a cash value reflecting the level of the index. The General Mills strategy employs the S&P 500 contract traded at the Chicago Mercantile Exchange, which is priced at $500 per index point.

Although the stock index future roughly follows the market as a whole, price aberrations provide arbitrage opportunities between the contracts and the underlying stocks.

This arbitrage strategy marks General Mills' first use of any future in its $400 million pension fund, although commodity futures long have been used on the corporate side in hedging grain purchases, according to Judy Mares, director of benefit finance. Management's familiarity with futures, "built in over the years," cleared the way for approval of the pension fund's use of futures, she said.

General Mills solicited Wells Fargo, which was conducting its own research on stock index futures, to manage its account.

"We were following along the same paths somewhat independently," Ms. Mares said. "This enabled us to get a real fast kickoff" in working together on devising the strategy, she commented.

Although Wells Fargo is solely arbitraging in General Mills' account, Ms. Mares said unlimited strategies exist — including hedging and short-term investment in a rising stock market — and might be employed later in General Mills' account.

General Mills' investment reflects a growing interest — if not dollar commitment — in the new stock index contract by tax-exempt investors.

Others, including the pension funds of Westinghouse Electric Corp. and Exxon Corp., and Harvard University's endowment, have tried these futures in a vari-

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Terminations misleading on funding status of benefit plans

By Nancy Webman

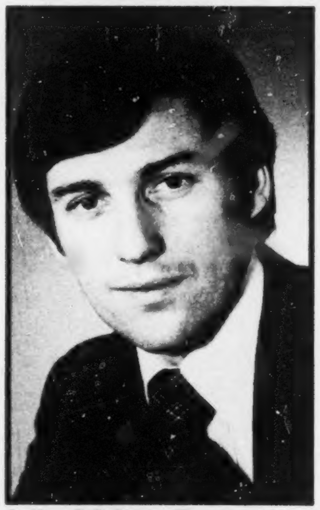
DALLAS — The recent rash of plan terminations in which excess assets are put to use by the corporation might be painting an inaccurate picture of the funding status of corporate pension funds, according to pension experts.

More than a dozen times in the past year or so, sponsors have terminated their plans, using the excess assets for some corporate finance purpose.

The reversions have given the appearance that many pension plans now are fully funded — in fact, overfunded — one of the prime objects of the Employee Retirement Income Security Act.

Interviews with consultants, actuaries and others, however, indicate that is far from the case.

"In the universe of pension plans, less than 5% are overfunded on the regular funding method," said Bob Berin, managing director and chief actuary of William Mercer in New York.



Dallas Salisbury: The number of overfunded plans is decreasing.

Dallas Salisbury, executive director of the Employee Benefits Research Institute in Washington, D.C., believes the number of overfunded plans actually is decreasing, the result of a "deliberate business decision, not a human resources decision."

"The average person, or even a corporate financial officer who doesn't know much about pensions but is interested in the bottom line, reads or hears about sponsors taking all these excess assets out and thinks, 'Boy, these plans all have

Continued on page 49

Fund's assets in limbo, as firms bid for a share

By Steve Hemmerick

SACRAMENTO — Some 29 investment advisers have offered to manage portions of the $10 billion in assets held by the California State Teachers' Retirement System.

But the investment committee chairman of the fund, Stephen Gavin, said a quick turnover of the assets to outside managers wouldn't be prudent.

The fund sent telegrams in June to 38 managers asking for suggestions on management when a political deadlock in Sacramento threatened to leave the fund without management on July 1 (*Pensions & Investment Age*, June 13).

On that date a year-old law takes effect separating the teachers' assets from the in-house management of its sister fund, the $18.7 billion California Public Employees' Retirement System.

The deadlock over who will manage the assets, however, appears to be continuing right up until the deadline.

Mr. Gavin has been seeking an "extension," keeping the teachers' assets managed by the public employees' in-house staff, saying he has had "good results" with them.

But a major political power on pension issues in Sacramento, Assemblyman Lou Papan, said that the public employees' fund "is in no position to handle its own assets."

Mr. Papan said the public employees' investment staff was effectively crippled with the departure of Mel Petersen, its former chief investment officer, who left state employment last March after a short stint as the new chief investment officer for the teachers' system.

Mr. Petersen was effectively managing $27 billion in state money, but getting paid $52,000 a year. In a reform effort, Mr. Papan tried to get the chief investment officer's salary raised to $95,000, raises for other personnel and money for additional requested employees.

But according to state investment officials, an appointee of newly elected Gov. George Deukmejian, Shirley Chilton, would permit only an increase to $63,500 for the top salary. Ms. Chilton couldn't be reached for comment. A press spokesman in the governor's office said he didn't know enough about the subject to outline the governor's position.

According to Mr. Papan, the governor is being given bad advice from Ms. Chilton, and Mr. Papan said he may speak out against Ms. Chilton at her upcoming confirmation hearing for the head of the state consumer service agency.

However, some observers pre-

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Late news

Fiduciary selected

PEORIA, Ill. — Security Pacific Investment Managers Inc. has been named interim fiduciary for Keystone Consolidated Industries' deferred incentive trust. The action stems from lawsuits filed against Texas businessman Harold Simmons. Keystone is one of several companies Mr. Simmons controls, and he has investment discretion over the trust.

Under the agreement, he will share with Security Pacific investment discretion over Amalgamated Sugar Co. stock held by the trust, a Labor Department spokesman said.

The department and Jefferson Trust and Savings Bank of Peoria, custodian for the Keystone plan, have filed suits against Mr. Simmons that will be heard jointly in U.S. District Court here. Both allege Mr. Simmons imprudently used pension assets over which he was trustee or had investment discretion to gain controlling interests in certain companies.

A third fiduciary will later be named for the trust, the spokesman said.

Two seek termination

DALLAS — Two more companies, including one that has a

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Directory

M

6

PI
DC20014STATLR FMPJ M
STATISTICAL REFERENCE INDEX
4520 EAST-WEST HWY SU 800
WASHINGTON DC 20014

SEC no-action letter

Institutional investors' underwriter status in large buys is clarified

By Joel Chernoff

WASHINGTON — Institutional investors will not be considered underwriters if they buy large percentages of public issues and the purchases are made in the ordinary course of business, the Securities and Exchange Commission has formally announced.

The no-action letter, written in response to a query from the American Council of Life Insurance, Washington, is the SEC's first formal statement of the policy. However the commission had been orally stating this position "for years," according to Lee Spencer, director of the SEC's division of corporation finance.

In the letter, the SEC states that institutional investors buying a "large percentage" of a registered offering will not be considered underwriters as long as the purchase is made in the ordinary course of business and the buyer has made no prior arrangements with others to distribute the securities later.

The clarification should remove any clouds hanging over the ability of companies to sell their debt and equity securities directly to institutional buyers. A number of institutional investors have purchased significant chunks of issues directly, based on the SEC's informal statements. But others in the financial community sought further clarification.

The no-action letter applies to all issues, but questions concerning direct purchases received greater attention as a result of the SEC's Rule 415, commonly known as shelf registration, which was introduced last year.

The rule, in effect for a trial period, allows companies to register under a single statement the amount of securities it anticipates selling during the next two years. Offerings can then be made when the issuer perceives a market readi-

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Consultant directory

Pensions & Investment Age has mailed out questionnaires for its directory of investment management consultants, which will appear in the Aug. 22 issue.

Any investment management consulting firm that has not yet received a questionnaire and wishes to be included in the directory should call **Michael Clowes**, editor, at **(212) 210-0121**.

Deadline: July 11, 1983

Late news

Continued from page 1

pension consulting arm, are seeking government approval to terminate their pension funds and recapture the excess assets.

Pension Benefit Guaranty Corp. officials said they have sent a notice of sufficiency to Butcher & Singer Inc. in Philadelphia, an investment banking firm that has a fiduciary consulting group in Pittsburgh. Butcher & Singer is seeking a $3.5 million reversion from its $5.6 million plan, which means it has liabilities for accrued benefits of $2.1 million.

Butcher & Singer is seeking a retroactive termination date of Feb. 28, and plans to distribute the assets in September.

United Foods, Bells, Tenn., also is seeking a termination and reversion to the company of $5.3 million of its $8.8 million fund.

B.M. Ennis, senior vice president of United Foods, would not comment on the proposed termination, which would be retroactive to Feb. 25. United Foods apparently is coupling the termination with a restructuring of its benefits program.

ILGWU hires adviser

NEW YORK — The International Ladies Garment Workers Union has hired Bernstein-Macaulay Inc. to run a $40 million fixed-income portfolio for its $116 million death benefit fund. Bernstein-Macaulay reportedly replaces Bank of New York as manager of the bond portfolio. The Blue Book of Pension Funds reports the union's retirement funds total $393 million; the union refuses to comment.

Option plan approved

JEFFERSON CITY, Mo. — The board for the $230 million Missouri Local Government Employees Retirement System has approved the use of bond options on a $15 million bond portfolio, according to William Schwartz, executive secretary. The fund's existing stock-options manager, Loomis, Sayles & Co., will manage the covered bond-call writing program starting July 1, to protect the portfolio when interest rates rise, Mr. Schwartz said.

Equitable appoints

NEW YORK — Leo M. Walsh Jr. has been named chief investment officer of The Equitable Life Assurance Society of the United States, New York. Additionally, Mr. Walsh was elected to Equitable's board of directors. He was previously executive vice president. He will be responsible for managing Equitable's $48.8 billion portfolio.

Fund hires for realty

HERSHEY, Pa. — The Hershey Foods Corp. pension plan has hired its first equity real estate managers by placing $3.5 million each with First National Bank of Chicago's Fund F, an open-end fund, and the JMB Group Trust II, a closed-end fund run by JMB Institutional Realty. Hershey's $7 million total commitment, 5% of its $140 million plan, was accumulated out of cash flow during early 1983.

$1.3 billion committed

STAMFORD, Conn. — U.S. pension funds committed $1.3 billion in new funds to overseas markets from Jan. 1 to May 31 and are expected to commit $3.2 billion by year-end, InterSec Research said.

The Stamford-based international consultant estimates U.S. pension assets invested overseas as of May 31 totaled $9.1 billion. They are expected to total $11 billion by year-end, a 60% increase from year-end 1982.

Blair to join firm

PHILADELPHIA — James T. Blair, senior vice president and director of client services at Delaware Investment Advisers, Philadelphia, will join Financial Selected Services Inc., Santa Barbara, Calif., a research and education firm, as program director. He will be replaced at Delaware Investment by Winthrop S. Jessup, vice president for client services.

Alaska will select 3

JUNEAU, Alaska — Alaska's $4 billion Permanent Fund will select three equity managers to invest $150 million by July 22, according to David Rose, executive director.

The nine finalists are Lehman Management Co.; Capital Guardian Trust; Batterymarch Financial Management; Miller, Anderson Sherrerd; Citicorp Investment Management; Putnam Advisory; Rosenberg Capital Management; Alliance Capital Management; and Eaton & Howard, Vance Sanders.

Equitable selected

NEW YORK — The Equitable Life Assurance Society has signed Allendale Mutual Insurance Co. as a corporate cash management client. Allendale Mutual will receive the cash management services through Equitable's offices in New York, Chicago, Atlanta and San Francisco.

Madden resigns from Chase

Edward Madden: Leaving Chase to join Fidelity Management Trust.

By Ivy Schmerken

NEW YORK — Edward E. Madden resigned as senior vice president of Chase Manhattan Bank's $90 billion pension trust financial services division to join Fidelity Management Trust Co. in Boston in July.

Mr. Madden will become executive vice president for marketing and client services at Fidelity's $800 million pension management arm. He will work with J. Gary Burkhead, president of the trust company since March. Mr. Burkhead formerly was head of Equitable Life Assurance Society's $27 billion pension operations.

Mr. Madden's successor at Chase is R. Reuel Stanley, 45, a vice president and corporate trust division executive. Mr. Madden hired Mr. Stanley 4½ years ago. They knew each other at IBM Corp. where Mr. Stanley spent 16 years in marketing. He joined Chase in 1979 serving in the master trust and corporate trust areas of the bank.

"He's eminently qualified," Mr. Madden said of his successor. "He knows all the people. He knows the clients. To me, he's an ideal choice."

A. Edward Allinson, Chase executive vice president and sector executive in charge of institutional trust, investment and information services, said: "Ed Madden has made a significant contribution during his five years at the bank and his many friends at Chase wish him the very best."

Mr. Madden joined Chase in 1978 from IBM where he spent 17 years in its marketing division servicing the brokerage and banking industries.

During his last four years at Chase, Mr. Madden has guided the master trust operation more in a financial services direction.

Under his leadership, Chase master trust assets increased from $6 billion in 1978 to $82 billion at the end of 1982.

At Fidelity, Mr. Madden will bring marketing expertise to Mr. Burkhead's investment background.

Mr. Burkhead ran pension and corporate investments at Equitable, and previously was director of research for Smith Barney Harris Upham & Co.

Mr. Madden said Fidelity was a unique opportunity and the people there were supportive.

"I look forward to working in partnership with Gary and the people at Fidelity to develop the trust company's client marketing services and to help build upon Fidelity's base in the pension business," he said.

Mr. Madden noted total assets managed by Fidelity Management & Trust Co. had grown to $800 million from $500 million since the start of the year. ■

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Vol. 11, No. 13—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Clayton cites cases

Fund use in takeovers called social investing

By Ivy Schmerken

NEW YORK — Misusing pension plan assets to fight off a takeover during a tender offer is a form of corporate social investing, according to Jeffrey N. Clayton, administrator of pension and welfare benefit programs for the Labor Department.

"The purist will say what we call corporate social investing is not social investing, but I think it is," he said. Social investing is not just below-market investing by unions to create jobs or refusing to invest in companies that do business in South Africa, he said.

Mr. Clayton spoke on the misuse of plan assets for corporate purposes during takeover attempts at a conference June 16 on legal issues in pension investment sponsored by the Practising Law Institute in New York.

Mr. Clayton cited cases involving the Grumman Corp. and Texas businessman Harold Simmons as examples.

The Labor Department sued certain Grumman officials after they refused to tender to LTV Corp. company stock in employee benefit plans for which they were trustees, and after they directed the plans to

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Pensions & Investment Age
Focus

Master trust banks

Top 20 master trustees

Public pension funds fuel $73 billion growth

By Linda Savage Ruhe

CHICAGO — Public fund movement to master custodians helped boost the assets of the top 20 master trustees by almost $73 billion from July 1982 through May 1983, a 22.7% gain.

Many of the banks that pulled themselves up in the rankings are those that can boast of sizable increases in their master custodian assets.

State Street Bank & Trust Co., Boston, for example, increased its master custodian assets by $10.5 billion and moved up one notch in the rankings, to second place. Citibank, New York, moved into fourth place from fifth with new master custodian accounts of $12 billion.

Other banks bringing on sizable master custodian assets included Irving Trust Co., New York, and National Bank of Detroit.

"We had a number of master custodial accounts that we had been working on for more than a year that finally came through," said Bill Gundy, vice president and division head at State Street.

Daniel J. Lenckos, head of the master trust division at First National Bank of Chicago, said, "Public funds have been a little late getting into the mode, but they are there now."

Profiles of master trustee banks start on the next page; profiles of Canadian-based trustee banks start on page 26

There has been quite a growth in master custodian assets in general, and public funds are much more interested in improving the way their funds are operated, such as using a central depository, improving fail float and getting better performance data, according to James T. McManus, second vice president at National Bank of Detroit.

The banks also recorded sizable increases in master trust assets, which had been the prime target for new business in the past. But Mr. McManus noted that what is going on in corporate finance is starting to spill over into the public arena.

Master custodian relationships typically provide all of the services of a master trustee relationship except for offering legal trusteeship; this is because many states are governed by pension codes that put the fiduciary reponsibility for the state funds in the hands of a public official like the state treasurer.

The information for the rankings was supplied through questionnaires sent out by *Pensions & Investment Age* to 45 banks. The statistics indicate the top 20 master trust/custodian banks had master trust assets totaling $296 billion and master custodial assets adding up to $97.9 billion. This was a 30% increase from last July's master trust total assets of $227.7 billion and a 14.3% increase from last year's master custodian assets of $85.7 billion.

Although last year's chart included Crocker National Bank, Los Angeles, and its $7.7 billion total master trust/custodian assets, the bank did not have information on the breakdown of that figure.

Despite some jockeying for position, the top five banks last year remained the top five based on total master trust/custodian assets.

Chase Manhattan Bank, New York, remained at the top, with $75 billion in total assets: $55 billion in

Continued on page 28

Services, not assets, called mark of trustee

Banks agree it is commitment that counts in the end

By Linda Savage Ruhe

CHICAGO — Both the leaders in the master trust business and the small regional banks agree it is not the size of the master trust/custodian assets a bank has on the books that makes it a true master trustee, but rather its commitment to offering a full range of services.

Of the 45 banks returning questionnaires for a *Pensions & Investment Age* study, less than half have master trust/custodian assets of more than $5 billion.

While many of the banks agreed it would be hard to offer a good master trust/custodian product with less than $5 billion in assets, they also believed these banks should not be discounted quickly as competition in the field.

James T. McManus, second vice president at National Bank of Detroit, said, "If you have under $5 billion but have a commitment, then you should be considered in the business. Everyone has to start somewhere."

National Bank of Detroit had $5.9 billion in master trust business last July, but this year reported a total of $10.2 billion, moving dramatically from 17th to 11th place in the rankings.

Some banks now calling themselves master trustees might find it difficult to continue doing so in the future with the features a bank has to have to compete, Mr. McManus added.

Thomas W. Kimen, senior vice president at Northern Trust Co., Chicago, suggested banks with less than $5 billion in master trustee/custodian assets probably will continue because they fill a niche in the market. Northern has $32.8 billion in master trust/custodian assets.

Some clients want a master trustee down the block, or for political or regional banking reasons and those kinds of banks fill that need, Mr. Kimen pointed out.

Sometimes, those banks come in with a low fee to attract business from the community because other banking services can be marketed to the client in addition to the master trust services. But because the price of staying in the master trustee business increases every year, that kind of strategy in the long run would make it difficult to keep a master trustee product on the cutting edge, he explained.

For instance, he pointed out, Northern recently put $2 million into developing an electronic delivery system so its clients would have access to their account information through a terminal in their offices.

Northern can afford to do that because it has room to spread the developmental costs over a larger base. He wondered if the banks with fewer assets and lower fees could do the same.

State Street Bank & Trust Co., Boston, with $43.2 billion in master trust/custodian assets, only occasionally loses an account while competing with smaller banks, according to Bill Gundy, vice president and division head. It loses when a client decides to hire a master trustee for reasons other than the services a bank has to offer, he said.

For instance, this occurs when the client has close ties and other banking relationships with the master trustee. There also are cases where the client might not have large portfolio requirements and therefore does not have the same demand for services.

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Master trust/master custodial banks

(All figures in $ millions)

		Total	*Master trust*	*Master custodial*
1.	Chase Manhattan	75,000	55,000	20,000
2.	State Street	43,200	26,700	16,500
3.	Bankers Trust	41,500	40,000	1,500
4.	Citibank	35,051	10,187	24,864
5.	Northern Trust	32,808	31,148	1,660
6.	Mellon Bank	23,242	22,999	243
7.	Boston Safe	16,598	13,204	3,394
8.	Harris Trust	15,696	15,696	0
9.	Manufacturers Hanover	14,826	14,637	189
10.	Irving Trust	12,000	3,900	8,100
11.	National of Detroit	10,215	4,444	5,770
12.	Bank of New York	10,117	3,412	6,705
13.	RepublicBank Dallas	9,800	8,300	1,500
14.	Wachovia Bank	8,276	8,111	165
15.	Bank of America	8,000	8,000	0
	Manufacturers Detroit	8,000	7,800	200
16.	Continental Illinois	7,100	5,900	1,200
17.	U.S. Trust	7,000	5,100	1,900
18.	Wells Fargo	9,000	5,000	4,000
19.	Wilmington Trust	6,601	6,501	100
20.	First of Chicago	4,803	4,354	449
21.	Citizens & Southern	3,450	450	3,000
22.	Mercantile-Safe	2,441	1,310	1,131
23.	Texas Commerce	2,291	967	1,324
24.	AmeriTrust	2,065	1,865	200
25.	First Wisconsin	1,949	1,270	679
26.	First Trust Co.	1,310	1,275	35
27.	M&I Bank	1,300	1,200	100
28.	First Pennsylvania	1,250	1,000	250
29.	Centerre Trust	885	743	142
30.	Norwest Bank	792	792	0
31.	Rainier National	770	0	770
32.	Marine Midland	614	614	0
33.	First City National	584	583	1
34.	Bank of Oklahoma	348	71	277
35.	First of Atlanta	320	320	0
36.	Winters National	285	285	0
	Total	*419,487*	*313,138*	*106,348*

Note: Crocker National Bank is not ranked because it could not break out its master trust, master custodial and other custodial assets. Its total is $7.5 billion.

Canadian master trust banks

		Assets ($ millions)
1.	Royal Trust	4,800
2.	Montreal Trust	2,320
3.	National Trust	2,212
4.	Canada Trust	1,510
5.	Canada Permanent Trust Co.	1,000
6.	Guaranty Trust Co. of Canada	603
7.	International Trust Co.	733

Canadian master custody assets

Rank	*Master custodian*	*Assets ($ millions)*
1.	International Trust Co.	536
2.	Canada Permanent Trust Co.	100

Presented here is *Pensions & Investment Age's* directory of 45 master trust/custodian banks. The top twenty master trust/custodian banks had master trust assets totaling $296 billion and master custodial assets adding up to $97.9 billion.

The figures given were developed by the editors from questionnaires sent to the leading master trust banks and trust companies in the United States and Canada.

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U.S.-based firms

a

AmeriTrust Co.

900 Euclid Ave., Cleveland, Ohio 44101; (216) 687-5000

Master trust assets	$1,865,000,000
Master custodial assets	$200,000,000
Other	0

AmeriTrust has 20 master trust clients and two master custodial clients. There are seven account supervisors.

The size of the smallest master trust client is $3.4 million, while the size of the largest is $469 million.

The actual settlement date is used for accounting, but trade date accounting is available.

Basic master trust services include asset custody; settlement of security trades; reporting on asset values and transactions; plan allocation; automated cash management; securities lending; performance measurement; portfolio analysis; index fund; cash forecasting; and customized reporting.

Reports are delivered to clients five days after the end of the period.

Fees are based on market value of assets, the number of plans and the number of managers.

The client contact is James H. McInerney Jr., vice president, at (216) 687-2798.

b

Bankers Trust Co.

280 Park Ave., New York, N.Y. 10015; (212) 850-2082

Master trust assets	$40,000,000,000
Master custodial assets	$1,500,000,000
Other	$21,100,000,000

Bankers Trust has 93 master trust clients and three master custodial clients. Account supervisors total 30.

The size of the smallest master trust client is $1 million; the largest is $7.7 billion.

The primary accounting method is trade date, on a full accrual basis, but settlement date accounting and other methods are available.

Basic master trust services include account establishment, adviser services, cash management and trust and plan accounting/reporting. Ancillary services that complement the basic master trust package also are offered.

The bank sends out cash transaction statements within three days after the end of the month. Security transaction statements and statements of holding are available within six to 10 days after the end of the period.

The fee menu includes: an accounting and reporting charge based on the number and type of investment portfolios; a per-transaction fee; and an overall administrative base fee. This base fee is applied as a basis point percentage calculation on the actively managed assets of the plan and varies according to the services each trust uses.

The client contact is Lynne Stewart Minard, vice president, head of new business development group.

Bank of America, Trust Department (#9032)

555 California St., 17th Floor, San Francisco, Calif. 94104; (415) 622-5238

Master trust assets	$8,000,000,000
Master custodial assets	0
Other	$23,000,000,000

Bank of America has 23 master trust clients. There are eight account supervisors.

The size of the smallest master trust client is $9 million; the largest is $1 billion.

Trade date accounting is used on registered securities and settlement date accounting on real estate and miscellaneous assets.

Basic master trust services include cash management, custody, pension disbursing, W2Ps, 1099Rs, ERISA data, cash and asset statements (monthly or quarterly and annually), income and redemption collection and monitoring of capital assets.

Monthly and quarterly reports to clients are delivered 10 business days after end of period; annual reports are delivered within 20 days.

Fees are based on a percentage of assets.

The client contact is Carole A. Swartz.

Bank of New York

48 Wall St., New York, N.Y. 10015; (212) 530-1784

Master trust assets	$3,412,000,000
Master custodial assets	$6,705,000,000
Other	$4,600,000,000

Bank of New York has 44 master trust clients and six master custodial clients. There are four account supervisors. Union accounts are assigned to a separate Bank of New York administrator.

The size of the smallest master trust client is $1.8 million; the largest is $950 million.

Trade date and settlement date are used for accounting procedures.

Basic master trust services include: performance measurement; cash management; ERISA reporting; portfolio review; securities lending; global custody; benefit disbursement; on-line inquiry and option accounting.

Reports to clients are delivered within five days.

Fees are based on a percentage of market value.

The client contact is Richard R. Smith, vice president, (212) 530-1353.

Bank of Oklahoma

P.O. Box 2300, Tulsa, Okla. 74192; (918) 588-6443

Master trust assets	$71,000,000
Master custodial assets	$277,000,000
Other	$281,000,000

Bank of Oklahoma has two master trust clients and two master custodial clients. There are three account supervisors.

The size of the smallest master trust client is $2.3 million; the largest is $68.4 million.

Trade date accounting, settlement date accounting and unitized and cash accounting are used.

Basic master trust services include dividends and interest credited on payable date, automated cash management, GICs, performance measurement, portfolio review and benefit disbursement.

Reports to clients are delivered

Continued on page 18

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Robert K. Weller, A.V.P., Pension Services

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Pension Services Department, 366 Bay Street, Toronto,
Ontario, Canada M5H 2W5

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five to 15 days after the end of period.

Fees are based on a combination of assets and the services provided.

The client contact is Phillip J. Owings, vice president and trust officer.

Boston Safe Deposit & Trust Co.

One Boston Place, Boston, Mass. 02106; (617) 722-7310

Master trust assets	$13,204,000,000
Master custodial assets	$3,394,000,000
Other	$574,000,000

Boston Safe has 20 master trust clients and seven master custodial clients.

There are nine account supervisors at the firm.

The size of the smallest master trust client is $28 million; the largest is $3.2 billion.

Trade date is used for accounting.

Basic master trust services offered by the company include trade date accounting and reporting.

It also offers a short-term investment fund and dial-up access to daily accounting data.

Optional services at the Boston Safe Deposit & Trust include analytics, performance measurement, securities lending, benefit payment, participant accounting, on-line analytical time sharing and global custody.

Reports are delivered to clients eight days after the end of the period.

Fees are calculated on an individual basis dependent on the services required.

The client contact is Thomas J. Lucey, senior vice president, (617) 722-7512.

Centerre Trust Co. of St. Louis

510 Locust St., St. Louis, Mo. 63101; (314) 231-9300

Master trust assets	$743,000,000
Master custodial assets	$142,000,000
Other	$594,000,000

Centerre Trust has seven master trust clients and two master custodial clients. There are two account supervisors.

The size of the smallest master trust client is $10 million; the largest is $275 million.

Trade date accounting and settlement date accounting are used.

Basic master trust services include automatic cash sweep, fail float credit, ERISA information, annual report, on-line inquiry system, performance measurement and evaluation, portfolio analytics, benefit payments, security lending and payment date credit for most income items.

Reports to clients are delivered five to seven days after end of period.

Fees are based on asset value and the number of manager and plan accounts over minimum. There are extra charges for ancillary services.

The client contact is D. Joseph Walton, (314) 436-9092.

The Chase Manhattan Bank

1211 Avenue of the Americas, 33rd Floor, New York, N.Y. 10036; (212) 730-3792

Master trust assets	$55,000,000,000
Master custodial assets	$20,000,000,000
Other	$15,000,000,000

Chase Manhattan has 77 master trust clients and eight master custodial clients. There are 25 account supervisors.

The size of the smallest master trust client is $1 million; the largest is $9.5 billion.

Trade date and settlement date accounting are available.

Basic master trust services include custody, accounting, cash management, performance measurement, global custody and security lending.

Reports are delivered to clients within seven days after the end of period.

Fee calculations are based on account structure and transaction volume.

The client contact is Richard T. McSherry, vice president.

Citibank

One Citicorp Center, New York, N.Y. 10043; (212) 559-1523

Master trust assets	$10,187,000,000
Master custodial assets	$24,864,000,000
Other	$1,839,000,000

Citibank has 90 master trust clients and 10 master custodial clients. There are 19 account supervisors.

The size of the smallest master trust client is $2 million; the largest is $12.5 billion.

Settlement date accounting and trade date accounting are used.

Basic master trust services include safekeeping and custody, cash management, trade date reporting, ERISA reports, equitable share accounting, performance measurement and analysis, TUCS comparisons, on-line flexible reporting, global custody, securities lending and participant recordkeeping.

Reports to clients are delivered three to five days after end of period. Next-day delivery is provided for on-line reports.

Fees are based on individual services.

The client contact is Jeffrey L. Maier, vice president.

The Citizens and Southern National Bank

33 North Ave., N.E., 10th Floor, P.O. Box 4114, Atlanta, Ga. 30302; (404) 581-3617

Master trust assets	$450,000,000
Master custodial assets	$3,000,000,000
Other	$800,000,000

The Citizens and Southern National Bank has 15 master trust clients and 80 master custodial clients. There are six account supervisors.

The size of the smallest master trust client is $25 million; the largest is $100 million.

Trade date accounting and settlement date accounting are used.

Basic master trust services include performance measurement/risk analysis, participant recordkeeping, portfolio review, securities lending, assistance in ERISA reporting, benefit payment and five pooled investment funds.

Reports to clients are delivered five days after end of period.

Fees are based on market value of assets.

The client contacts are Edgar R. Smith, (404) 581-3617, and Richard Schweitzer, (404) 581-4018.

Continental Illinois National Bank & Trust Co. of Chicago

231 S. LaSalle St., Chicago, Ill. 60693; (312) 823-2345

Master trust assets	$5,900,000,000
Master custodial assets	$1,200,000,000
Other	$40,000,000,000

Continental Illinois National Bank & Trust Co. has 30 master trust clients and seven master custodial clients. There are nine account supervisors.

The size of the smallest master trust client is $5 million; the largest is $1.3 billion.

Trade date and settlement date accounting are available.

Basic master trust services include consolidated accounting (plan and managers); performance measurement; dial-up access via Continental's remote information system; account relationship-manager; officer and administrative assistant are all assigned to an account on a full-time basis; automated cash management; and cash projections.

Reports to clients are delivered

Continued on page 20

ONLY ONE BANK IS CONCERNED ENOUGH ABOUT YOUR MASTER TRUST NEEDS TO START A SEPARATE COMPANY TO HANDLE THEM.

Master Trust is one of the most demanding of banking services.

It requires a blend of efficiency, speed, accuracy and communications for literally thousands of transactions and millions of dollars.

For this reason, only a small number of banks offer it. Even fewer do it well.

Which is precisely why The Bank of New York established The Bank of New York Trust Company.

The Bank of New York Trust Company is exclusively devoted to Master Trust services. Because of this specialization, we are able to give firmer control over your account and deliver information you need faster and more accurately.

To begin with, you're assigned a team of professionals, which includes an account officer, investment assistant and a trust accountant.

They insure that your account is treated uniquely. That there is close communication with your investment managers. That you don't have to struggle with red tape. And that your problems are solved swiftly.

Secondly, the company's advanced systems capabilities insure timely and accurate reporting. They include FIRST, an on-line system for the reporting, processing and settlement of securities transactions. And IMPACT, a unique, on-line analytic service for measuring portfolio performance.

All this is backed up by solid experience. In fact, The Bank of New York is the nation's third largest bank in terms of trust revenues.

With this kind of unparalleled commitment, you could very well conclude that The Bank of New York may be the first bank to take Master Trust seriously.

For more information on Master Trust,
contact Richard R. Smith, Vice President,
52 William Street, New York, N.Y. 10015.
Telephone: (212) 530-1784.

THE
BANK OF
NEW
YORK
TRUST COMPANY

Continued from page 18

five to 10 days after end of period.

Fees primarily are asset based, with transaction charges in specific instances.

The client contact is Thomas H. Ransom, vice president, (312) 828-7537.

Crocker National Bank

333 S. Grand Ave., Suite 640, Los Angeles, Calif., 90071; (213) 253-3212

Master trust assets	$7,500,000,000
Master custodial assets	N/A*
Other	N/A*

*Included in master trust total

Crocker National Bank was unable to break out its master custodial and other custodial accounts from its master trust figure.

It reports 162 master trust and master custodial clients. There are nine account supervisors.

The size of the smallest master trust client is $2.5 million; while the largest is $1.1 billion.

Trade date and settlement date accounting are used. Cash, modified cash and full accrual also are available.

Basic master trust services include account management, security settlement, cash management, income on payable date, account reports, IRS form 550 preparation, securities lending, plan administration, asset allocation and performance measurement.

Reports to clients are delivered 10 business days after end of period. Fees are a combination of a flat fee, a percentage of the market value of assets held, individual transactions and special service charges.

The client contact in Los Angeles is Lester Wood, vice president; in San Francisco, the client contact is William Sumner, vice president, (415) 477-5832.

f

First City National Bank of Houston

809 Fannin, Houston, Texas 77001; (713) 658-6705

Master trust assets	$583,000,000
Master custodial assets	$1,000,000
Other	$702,000,000

First City National Bank of Houston has five master trust clients and one master custodial client. There are nine account supervisors.

The size of the smallest master trust client is $40 million; the largest is $88 million.

Trade date accounting is employed.

Basic master trust services include cash management, assistance in government reporting, asset custody and standard reporting.

Reports to clients are delivered 10 days after end of period.

Fees are based on amount of assets.

The client contact is Terry Lambert, vice president.

First National Bank of Atlanta

P.O. Box 4148, Atlanta, Ga., 30302; (404) 588-5657

Master trust assets	$280,000,000
Master custodial assets	0
Other	0

First National Bank of Atlanta has two master trust clients. There are three account supervisors.

The size of the smallest master trust client is $60 million; the largest is $200 million.

Trade date is used for accounting procedures. Other methods of accounting are available as specified by the client.

Basic master trust services include performance measurement, participant recordkeeping, ERISA reporting, benefit disbursements and securities lending.

Reports to clients are delivered in 12 to 15 days.

Fees are based on a percentage of assets held; separate fees are charged for specific services.

The client contact is Raymond H. Sapp, vice president.

First National Bank of Chicago

One First National Plaza, Suite 0150, Chicago, Ill. 60670; (312) 732-4000

Master trust assets	$4,354,000,000
Master custodial assets	$449,000,000
Other	$7,290,000,000

First National Bank of Chicago has 34 master trust clients and three master custodial clients. There are 22 account supervisors.

The size of the smallest master trust client is $3 million; the largest is $878 million.

The settlement date is used for accounting.

Basic master trust services include performance measurement, portfolio analysis, portfolio review, participant recordkeeping, securities lending, ERISA disclosure assistance, benefit disbursement, index fund, asset allocation, universe comparison and plan accounting.

Reports to clients are delivered eight to 10 days after end of period.

Fees are based on a combination of asset value and individual services.

The client contact is Daniel J. Lenckos, vice president, (312) 732-7704.

First Pennsylvania Bank

15th and Chestnut Streets, Philadelphia, Pa. 19101; (215) 786-8765

Master trust assets	$1,000,000,000
Master custodial assets	$250,000,000
Other	$20,000,000

First Pennsylvania Bank has 12 master trust clients and five master custodial clients. There are 10 account supervisors.

The smallest master trust client is $10 million; the largest is $500 million.

Trade date accounting and settlement date accounting are used, but the actual settlement date will be used at the client's preference.

Basic master trust services include trusteeship/custodianship, accrual or cash accounting, portfolio analytics, performance measurement, TUCS, passive investment, securities lending, global custody, public fund accounting (NCGA rules) and client terminal with inquiry and/or input capability.

Cash statements are delivered within five to seven business days and full accountings within 15 to 17 business days after end of period.

Fees normally are calculated on the market value of assets, but can be unbundled.

The client contact is James F. McHale, vice president, (215) 786-7946.

First Trust Co. of St. Paul

332 Minnesota St., St. Paul, Minn. 55101; (612) 291-5072

Master trust assets	$1,275,000,000
Master custodial assets	$35,000,000
Other	$3,715,000,000

First Trust Co. of St. Paul has seven master trust clients and two master custodial clients. There are six account supervisors.

The smallest master trust client is $8 million.

Trade date accounting is used, but settlement date accounting is also available.

Basic master trust services in-

Continued on page 22

In trust services, we offer you the basics...

As a highly responsible Master Trustee, of course we provide pension plan sponsors with custodial services, as well as fast, accurate reporting that complies with ERISA requirements. But at Bankers Trust just enough is never enough. So we do that

and a lot more.

To keep you abreast of future developments, we meet frequently with sponsors, regulators and legislators. To learn what you think and need now, we sit down with you at regular in-depth meetings. We know that today's prime need is increased return on assets, so we've designed five distinctive services: Cash Management with automatic interest on uninvested cash balances. Securities Lending for incremental returns on securities held in portfolios. GlobeTrust for sponsors who want to diversify assets internationally. Options for additional returns on portfolios. And Consulting services to help you make better investment decisions.

For more information, call Lynne Stewart Minard, Vice-President, Employee Benefit Group, at 212-850-2082, or write her at Bankers Trust Company, 280 Park Ave., N.Y., N.Y. 10017.

Bankers Trust Company
Because your Master Trustee should do more.
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clude securities settlement, custody and servicing, accounting (including composites), automatic cash management, performance measurement, TUCS, customer on-line, securities lending and ERISA reporting.

There is a separate asset fee and transaction fee.

The client contact is Roger R. Schaeffer.

First Wisconsin Trust Co.
777 E. Wisconsin Ave., P.O. Box 2054, Milwaukee, Wis. 53201; (414) 765-5000

Master trust assets	$1,270,000,000
Master custodial assets	$679,000,000
Other	$443,000,000

First Wisconsin Trust Co. has 27 master trust clients and one master custodial client. There are seven account supervisors.

The size of the smallest master trust client is $1 million; the largest is $209 million.

Trade date accounting is employed.

Basic master trust services include performance measurement, relative performance measurement, trust universe comparison services, portfolio monitoring service, securities lending, bond dedication and bond immunization.

A report of financial transactions on a settlement basis and including income totals is available about the second business day of the month; a list of assets indicating both cost and market value is available on the sixth business day of the month. The complete monthly financial report for each investment manager account on a full-accrual, trade-date basis is available on the 12th business day of the month. The complete annual financial report for each investment manager account is available 20 business days after the end of the fiscal year.

Annual fees are based on the market value of equities and the cost value of fixed-income securities plus transaction costs.

The client contact is A. Paul Jones, (414) 765-4444.

h

Harris Trust and Savings Bank
111 West Monroe St., Chicago, Ill. 60603; (312) 461-2121

Master trust assets	$15,696,000,000
Master custodial assets	0
Other	$3,247,000,000

Harris Trust and Savings Bank has 37 master trust clients. There are six account supervisors.

The size of the smallest master trust client is $12 million; the largest is $3.252 billion.

Trade date accounting is used.

Basic master trust services include custody, accounting, reporting, plan accounting, ERISA reporting, cash mobilization, performance measurement and securities lending.

Reports to clients are delivered 20 days after end of period.

Fees are calculated on a base per account plus a percentage of assets.

The client contact is Jon S. Brightman, (312) 461-7344.

i

Irving Trust Co.
1 Wall St., New York, N.Y. 10015; (212) 487-7133

Master trust assets	$3,900,000,000
Master custodial assets	$8,100,000,000
Other	$2,100,000,000

Irving Trust has 22 master trust clients and eight master custodial clients. There are nine account supervisors.

The size of the smallest master trust client is $11 million; the largest is $2.2 billion.

Trade date accounting and settlement date accounting are used.

Basic master trust services include transaction clearance, asset custody, customized reporting, zero-balance cash management and fail-float investment credit.

Reports to clients are delivered five business days after end of period.

Fees are based on the transaction volume and the services required.

The client contact is B.J. Fleming, vice president.

m

M&I Marshall & Ilsley Bank
770 N. Water St., Milwaukee, Wis. 53201; (414) 765-8187

Master trust assets	$1,200,000,000
Master custodial assets	$100,000,000
Other	$400,000,000

M&I Marshall & Ilsley Bank has 25 master trust clients and two master custodial clients. There are six account supervisors.

The size of the smallest master trust client is $4 million; the largest is $250 million.

Settlement date accounting is used; pending trade schedule is optional.

Basic master trust services include automated cash money market funds and performance measurement.

Reports to clients are delivered five to seven days after end of period.

The client contact is Morry L. Birnbaum, vice president.

Manufacturers Hanover Trust Co.
530 Fifth Ave., New York, N.Y. 10036; (212) 286-6000

Master trust assets	$14,637,000,000
Master custodial assets	$189,000,000
Other	$18,400,000,000

Manufacturers Hanover has 30 master trust clients and four master custodial clients. There are 11 account supervisors.

The size of the smallest master trust client is $10 million; the largest is $4.259 billion.

Trade date and settlement date are available for accounting purposes.

Basic master trust services include detailed financial investment reports, ERISA disclosure assistance, cash management, portfolio analysis and comparison, portfolio review, securities lending, on-line terminal access/reporting, international custody, benefit disbursement and multiple plan accounting.

Reports to clients are delivered within three to 10 days.

Fees primarily are based on a percentage of market values. There are special charges for additional services such as on-line terminal access, performance measurement, analytics, plan accounting and pension check payments.

The client contact is Renee San Marco, (212) 819-1580.

Manufacturers National Bank of Detroit
100 Renaissance Center, 6th Floor, Detroit, Mich. 48243; (313) 222-4470

Master trust assets	$7,800,000,000
Master custodial assets	$200,000,000
Other	$500,000,000

Manufacturers National Bank of Detroit has 28 master trust clients and 17 master custodial clients. There are 14 account supervisors.

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With NBD's Master Trust...it's just not true.

At NBD, we realize that there's never just one way to develop the right Master Trust program. Trust needs vary by business... and by plan sponsor requirements. That's why we specialize in developing creative, flexible Master Trust programs for businesses of any size.

NBD's Master Trust officers constantly study trends in the benefit plans area. This enables us to create totally new components to meet your specific needs today... and tomorrow.

Because each program is individually developed, you can take advantage of any or all of the capabilities we have in the areas of custodian services, benefit disbursement, cash management, performance measurement, or portfolio review diagnostics.

What it comes down to is this: NBD doesn't want to provide you with *a* Master Trust program. We want to provide you with *your* Master Trust program.

We're as close as your phone. Call Clarence Kufel or Jim McManus at (313) 225-3900.

NBD NATIONAL BANK OF DETROIT

Continued from page 22

The size of the smallest master trust client is $12 million; the largest is $6 billion.

Settlement date accounting is used. Trade date accrual and unitized accounting are available.

Basic master trust services include cash management, consolidated reporting, interim transaction reporting, unitized accounting, custom reports, benefit payments and performance measurement.

Reports to clients are delivered five days after end of period.

Fees are calculated on a quarterly basis.

The client contact is Alana C. Macdonald, trust officer.

Marine Midland Bank

250 Park Ave., New York, N.Y. 10177;
(212) 949-6507

Master trust assets	$614,300,000
Master custodial assets	0
Other	$1,686,000,000

The size of the smallest master trust client at Marine Midland is $2.9 million; the largest is $324.1 million.

There are 12 account supervisors.

The settlement date is used for accounting.

Basic master trust services include custody and servicing of securities, reporting and disbursement and cash management.

Reports to clients are delivered as required by the client.

The basic fee at Marine Midland Bank is calculated on the basis of decremental rates applied to market value of assets.

Other fees are based on transactions and services.

The client contact is William P. Gaines, administrative vice president.

Mellon Bank

Mellon Square, Pittsburgh, Pa. 15230;
(412) 234-3384

Master trust assets	$22,999,000,000
Master custodial assets	$243,000,000
Other	$2,934,000,000

Mellon Bank has 41 master trust clients and one master custodial client. There are seven account supervisors.

The size of the smallest master trust client is $5 million; the largest is $5.1 billion.

Trade date accounting is used, but trade date fully accrued reporting is available.

Basic master trust services include security lending, benefit payment, on-line access, performance measurement, portfolio analysis and portfolio review, options accounting, index funds, international custody, ERISA disclosure assistance and participant recordkeeping.

Reports to clients are delivered within three business days for cash and within 12 business days for accrued reports.

Fees are based on a combination of asset value and individual services performed.

The client contact is Thomas H. Kalen, vice president.

Mercantile-Safe Deposit & Trust Co.

2 Hopkins Plaza, P.O. Box 2257,
Baltimore, Md. 21203; (301)
237-5551

Master trust assets	$1,310,000,000
Master custodial assets	$1,131,000,000
Other	$1,780,000,000

Mercantile-Safe Deposit & Trust Co. has 12 master trust clients and three master custodial clients. There are seven account supervisors.

The size of the smallest master trust client is $1 million; the largest is $400 million.

Settlement date accounting is used.

Basic master trust services include depository participation, benefit payments, option transactions, security lending, cash management services, investment analysis, investment performance measurement, ERISA reporting and brokerage reporting.

Reports to clients are delivered in five to 10 days.

Fees are based on asset value and income collected.

The client contact is H. Louis French, vice president.

n

National Bank of Detroit

611 Woodward Ave., Detroit, Mich.
48226; (313) 225-3221

Master trust assets	$4,444,600,000
Master custodial assets	$5,770,000,000
Other	$110,000,000

National Bank of Detroit has 54 master trust clients and 43 master custodial clients. There are seven account supervisors.

The size of the smallest master trust client is $6.7 million; the largest is $1.176 billion.

Settlement date accounting is used. Trade date accounting is targeted to begin in the fourth quarter.

Basic master trust services include centralized custody and safekeeping of assets, consolidated reporting, ERISA disclosure assistance, fail float guarantee, STIF, benefit disbursements and participant recordkeeping.

Optional services offered by the bank include performance measurement, portfolio analysis, equity analysis, securities lending and online inquiry.

Reports to clients are delivered five business days after end of period.

Fees are calculated by a combination of asset value and individual services.

The client contact is James T. McManus, second vice president.

The Northern Trust Co.

50 S. LaSalle St., Chicago, Ill. 60675;
(312) 630-6000

Master trust assets	$31,148,000,000
Master custodial assets	$1,660,000,000
Other	$682,000,000

The Northern Trust Co. has 109 master trust clients and 21 master custodial clients. There are 12 account supervisors.

The size of the smallest master trust client is $8 million; the largest is $4 billion.

Trade date accounting and settlement date accounting are used, according to the client's preference.

Basic master trust services include: comprehensive reporting, including quarterly plan accounting statements; complete ERISA package; microfiche; full accrual accounting; full fiduciary partnership through efficient cash management and bankruptcy screening of assets; complete performance measurement and analytical consulting services; special services including an in-house benefit payments unit; a securities lending program; and global custody.

Reports to clients are delivered three to five days after end of period.

Fees are based upon the client's market value.

The client contact is Michael S. Terry, vice president.

Norwest Bank Minneapolis

8th and Marquette, Minneapolis,
Minn. 55479; (612) 372-8361

Master trust assets	$792,000,000
Master custodial assets	0
Other	$3,216,000,000

Norwest Bank Minneapolis has nine master trust clients. There are four account supervisors.

The size of the smallest master trust client is $4 million; the largest is $277 million.

The settlement date is used for accounting procedures, with pending trades and accrued income reported.

Directory continues on page 25

Are you shelved in a Master Trust "warehouse"?

You are if you represent the 38th largest account at a "warehouse" and get the attention of the 38th most senior administrator.

U.S. Trust, on the other hand, believes in only accepting the number of accounts it can service with its fully experienced, first rank operating staff.

Result:

For years, U.S. Trust has delivered a highly customized and professional approach to Master Trusts. We emphasize providing systems, products and information flow to meet our clients' needs—instead of fitting clients into a formula. This reflects the importance we place on our trust business. We've been involved in it longer than anyone in the country and we apply more than two-thirds of our entire staff to our trust services.

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U.S.Trust
When you do something very well
you simply cannot do it for everyone.

Canada trust assets grow but remain small percent of total

TORONTO — Assets held in master trust/custodian accounts by Canadian banks are a significantly smaller proportion of total tax-exempt assets than those held by banks in the United States.

Total tax-exempt assets in Canada, according to one estimate, are roughly $150 billion. Of this amount, Canadian master trust/custodian banks hold just less than $13.8 billion or 9.2%, according to responses to a survey by *Pensions & Investment Age.*

Of the $13.8 billion in assets under Canadian master trust/custodian relationships, about $636 million are master custodian assets.

Total assets of private, state and local government pension funds in the United States are estimated by *P&I Age* to be $1 trillion. Master trust/custodian assets of the 45 banks surveyed totaled almost $427 billion, or 42.7% of the total.

Top Canadian master trustees in the recent survey included Royal Trust, with $4.8 billion in assets; Montreal Trust, $2.3 billion; and National Trust Co. Ltd., $2.2 billion.

Only two banks reported significant master custodian assets: International Trust Co., with $536 million, and Canada Permanent Trust Co., with $100 million.

While the total master trust/custodian assets in Canada do not appear to be large compared with U.S. banks, they do indicate a significant increase from the figures reported two years ago.

In the April 27, 1981, issue of *P&I Age*, assets under master trustees in Canada topped $5 billion.

At that time, the top banks were National Trust, with $1.5 billion; Royal Trust, $1.5 billion; Canada Trust Co., $900 million; Montreal Trust, $631 million; and Guaranty Trust Co. of Canada with $500 million.

The banks then were predicting they would have assets of $10 billion in the next few years.

—By Linda Savage Ruhe

Continued from page 24

Basic master trust services include automatic cash management, benefit disbursement, ERISA disclosure assistance, index fund, performance measurement, participant recordkeeping, securities lending, portfolio analysis and portfolio review.

Reports to clients on transactions are delivered in three days; asset statements are delivered in 10 days.

Fees are based on market value plus transactions; there is a flat charge on specific services.

The client contact is Thomas E. Hatcher, vice president.

r

Rainier National Bank

P.O. Box 3966, Seattle, Wash. 98124;
(206) 621-4298

Master trust assets	0
Master custodial assets	$770,000,000
Other	$2,600,000,000

Ranier National Bank has six master custodial clients.

The size of the smallest master custodial client is $31 million; the largest is $425 million.

The settlement date is used for accounting procedures.

Basic master custodial services include consolidated accounting, summary of accountings and cash sweep.

Reports to clients are delivered in 15 business days.

Fees are calculated as a percentage of assets.

The client contact is Ken Carlson, assistant vice president and manager.

RepublicBank Dallas

P.O. Box 241, Dallas, Texas 75221;
(214) 653-6506

Master trust assets	$8,300,000,000
Master custodial assets	$1,500,000,000
Other	N/A

RepublicBank Dallas has 168 master trust clients and seven master custodial clients. There are 12 account supervisors.

The size of the smallest master trust client is $3 million; the largest is $1.4 billion.

Trade date and settlement date accounting are used. Accounting is also provided on a cash or accrual basis.

Basic master trust services include daily cash management, cash forecasting, fail float protection, performance measurement, portfolio diagnostics, benefit payments and withholding, on-line reporting, trust universe comparison service, securities lending, options processing, plan accounting, plan and participant recordkeeping and international custody.

Reports to clients are delivered five days after end of period.

Fees are calculated on a percentage or the market value and transaction charges.

The client contacts are W. Humphrey Bogart, senior vice president, (214) 653-6881 and David J. Pittman, vice president, (214) 653-6506.

s

State Street Bank & Trust Co.

225 Franklin St., Boston, Mass.
02110; (617) 786-6492

Master trust assets	$26,700,000,000
Master custodial assets	$16,500,000,000
Other	$6,700,000,000

State Street Bank & Trust Co. has 61 master trust clients and 26 master custodial clients. There are 27 account supervisors.

The size of the smallest master trust client is $3 million; the largest is $8.4 billion.

In addition to tax-exempt custody accounts, State Street Bank & Trust provides custody services for $107 billion in mutual fund assets.

The trade date is used for accounting procedures.

Basic master trust services include safekeeping of assets, settlement and control of all portfolio trades, determination and collection of income, cash reporting and general ledger accounting, DTC, FBE, institutional delivery system, valuation of assets, STIF, SPIFF, goverment STIF, cash management, fiduciary control, 401(k) capabilities and securities lending.

Reports to clients are delivered in five to seven business days.

Fees are based on the market value of assets, by portfolio; there also are trading charges. Optional services are unbundled.

The client contact is J.D. Nelson.

t

Texas Commerce Bank

P.O. Box 2558, Houston, Texas
77252; (713) 236-5788

Master trust assets	$967,000,000
Master custodial assets	$1,324,000,000
Other	$8,245,000,000

Texas Commerce Bank has 11 master trust clients and eight master custodial clients. There are 10 account supervisors.

The size of the smallest master trust client is $16 million; the largest is $464 million.

Modified trade date accounting is employed.

Basic master trust services include emphasis on client and investment manager communications, timely benefit payments, accurate participant recordkeeping for defined contribution plans, daily cash sweeps and direct participation in DTC.

Reports to clients are delivered in 10 days.

Fees are based on the volume of activity generated.

The client contact is Russell K. Schulze II.

u

United States Trust Co. of New York

45 Wall St., New York, N.Y. 10005;
(212) 806-3834

Master trust assets	$5,1[illegible]0,000,000
Master custodial assets	$1,[illegible]00,000,000
Other	$4,300,000,000

United States Trust Co. of New York has 63 master trust clients and 20 master custodial clients. There are eight account supervisors.

The smallest master trust client is less than $1 million.

United States Trust Co.'s largest client is $596 million.

The actual settlement date is used for accounting procedures.

Basic master trust services include trade processing, safekeeping, collection of interest and dividends.

Other basic master trust services include weekly and cumulative monthly statements, monthly valuations and quarterly allocations.

Reports to clients are delivered in two to 10 days after end of period.

Fees are based on the market value of the assets.

The number of investment managers also serves as a base for fees.

The client contact is Robert Pagano.

w

Wachovia Bank & Trust Co.

P.O. Box 3099, Winston-Salem, N.C.
27102; (919) 748-6348

Master trust assets	$8,111,000,000
Master custodial assets	$165,000,000
Other	$300,000,000

The Wachovia Bank & Trust Co. has 32 master trust clients and two master custodial clients. There are eight account supervisors.

The size of the smallest master trust client is $31 million; the largest is $1.378 billion.

Trade date adjusted accounting is employed.

Basic master trust services include accounting, benefit disbursement, cash management, foreign custody, options and financial futures, securities lending, ERISA disclosure assistance, performance measurement, on-line access and portfolio review.

Reports to clients are delivered 10 days after end of period.

Fees are based on a combination of market value and specific services provided.

The client contact is Jane B. Fisher.

Wells Fargo Bank

475 Sansome St., San Francisco,
Calif. 94111; (415) 396-5561

Master trust assets	$5,000,000,000
Master custodial assets	$4,000,000,000
Other	$10,500,000,000

Wells Fargo Bank has 45 master trust clients and 10 master custodial clients. There are four account supervisors.

The size of the smallest master trust client is $10 million; the largest is $1 billion.

Trade date and settlement date are used for accounting purposes.

Basic master trust services include reporting, cash management, income control, securities settlement, custodial services, benefit payments, on-line portfolio inquiry, electronic mail and on-line analysis.

Reports to clients are delivered in 10 days.

Fees are unbundled and based on market value of assets and transaction activity.

The client contact is Roberta Lyon.

Wilmington Trust Co.

Rodney Square North, Wilmington,
Del. 19890; (302) 651-1000

Master trust assets	$6,501,000,000
Master custodial assets	$100,000,000
Other	$14,900,000,000

Wilmington Trust has six master trust clients and 20 master custodial clients. There are four account supervisors.

The size of the smallest master trust client is $70 million; the larg-

Continued on page 26

Does your Master Trustee make sure your cash stays fully invested?

The answer to this question is, to us, at the heart of good "Cash Management."

Our accounting system records all security transactions when they actually occur. There are no hidden cash balances or unverified fail-float credits.

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Continued from page 25

est is $5.8 billion.

Trade date accounting is used.

Basic master trust services include custody, benefit disbursements, cash management, accounting performance measurement, remote terminals, executive summary, management detail, audit detail reports and particpant recordkeeping.

Reports are delivered to clients 10 to 15 working days after the end of the period.

Fees for services are negotiated.

The client contact is Robert E. Smith, (302) 651-8365.

Winters National Bank & Trust Co.

Winters Tower, Dayton, Ohio 45401; (513) 449-8716

Master trust assets	$285,000,000
Master custodial assets	0
Other	$215,300,000

Winters National Bank & Trust Co. has 10 master trust clients. There are three account supervisors.

The size of the smallest master trust client is $2 million; the largest is $110 million.

Settlement date accounting, including supplemental unposted trades list, is employed.

Basic master trust services include performance measurement, portfolio review, participant recordkeeping, ERISA disclosure assistance and benefit disbursement.

Fees are based on a combination of asset value and individual services.

The client contact is C.T. Warriner.

Canadian firms

C

Canada Permanent Trust Co.

320 Bay St., Toronto, Ontario M5H 2P6, Canada; (416) 361-8248

Master trust assets	$900,000,000
Master custodial assets	$100,000,000
Other	$1,200,000,000

Canada Permanent Trust Co. has 20 master trust clients and five master custodial clients.

The firm has two account supervisors.

The size of the smallest master trust client is $5 million; the largest is $300 million.

Settlement date accounting is used.

Basic master trust services include safekeeping; income collection; and securities settlement (including DTC via Manufacturers Hanover).

The Canada Permanent Trust Co. also offers pensioner payroll; client-based, on-line terminals; securities lending; various monthly and on demand reports; and a client call program.

Reports to clients are delivered 15 days after end of period.

The basic fee is based on the bookvalue of assets.

The firm also adds on a percentage for trusteeships, complexity, multiple managers and mortgage administration.

The client contact is R.W. La Force, assistant vice president-corporate custodial services.

The Canada Trust Co.

275 Dundas St., London, Ontario Canada, N6B 3L1; (519) 673-6244

Master trust assets	$1,510,000,000
Master custodial assets	0
Other	$3,036,000,000

The Canada Trust Co. has 61 master trust clients. There are 13 account supervisors.

The size of the smallest master trust client is $1.5 million; the largest is $211 million.

Settlement date accounting is used.

Basic master trust services include safekeeping securities, processing transactions, constituent and consolidated account reporting, monitoring of compliance with legislative constraints and automatic income crediting.

Reports to clients are delivered 15 days after end of period.

Fees are based on a percentage of book value, plus a small charge per check, termination and security transaction.

The client contact is John Mullen, pension information coordinator, (519) 673-6245.

g

Guaranty Trust Co. of Canada

366 Bay St., Toronto, Ontario M5H 2W5, Canada; (416) 863-5168

Master trust assets	$603,000,000
Master custodial assets	0
Other	$611,000,000

Guaranty Trust has 14 master trust clients. There are three account supervisors.

The size of the smallest master trust client is $5 million; the largest is $210 million.

Settlement date is used for accounting. There is a capability for trade date reporting.

Basic master trust services include income accruals, unitized accounting and consolidated report-

Continued on page 27

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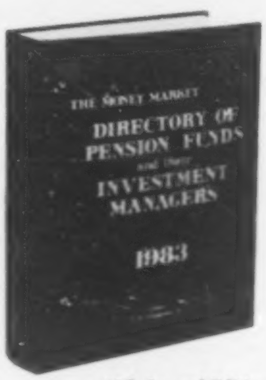

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Continued from page 26

ing, cash management, portfolio analysis, performance measurement and report customization.

Reports are available for clients after 10 working days.

Basic fees are based on book value, plus account charges, check charges and performance measurement. Fees for managed assets are based on average market value.

The client contact is P. Diane Thomas.

i

The International Trust Co.

Royal Bank Plaza, North Tower, 14th Floor, Box 75, Toronto, Ontario M5J 2J2 Canada; (416) 865-0515

Master trust assets	$197,000,000
Master custodial assets	$536,000,000
Other	$1,446,000,000

The International Trust Co. has 11 master trust clients and one master custodial client. There are six account supervisors.

The size of the smallest master trust account is $1.2 million; the largest is $536 million.

Settlement date is used for accounting purposes. For reporting, both trade date and settlement date are available.

Basic master trust services include client managed STIF account, cash management and investment management control, and rate of return information.

Reports are delivered 10 days after end of period.

Fee calculation is based on asset exposure, number of accounts in structure and add-on services. The client contact is Peter C. Dunlop.

m

Montreal Trust

15 King St. W., Toronto, Ontario M5H 1B4, Canada; (416) 362-6363

Master trust assets	$2,320,000,000
Master custodial assets	0
Other	$5,802,000,000

Montreal Trust has 85 master trust clients. There are 11 account supervisors. The size of the smallest master trust client is $2 million; the largest is $270 million. Settlement date accounting is used.

Basic master trust services include corporate trusteeship for consolidated pension fund; consolidated accounting; government reporting; automatic crediting and allocation of dividends, interest and capital gains; trust documentation; portfolio analysis and performance measurement; benefit payment services; investment management; indexed fund capability and on-line asset reporting.

Reports to clients are delivered 15 days after end of period.

Fees on investment management are based on average market value; fees on safe custody are based on average book value.

The client contact is William J. Henderson, assistant vice president, H.O. Pension Services, (416) 362-6363, Loc 504.

n

National Trust Co. Ltd.

21 King St. E., Toronto, Ontario, Canada; (416) 364-9141 ext. 257

Master trust assets	$2,212,200,000
Master custodial assets	0
Other	$4,512,400,000

National Trust Co. Ltd. has 30 master trust clients.

The firm's account supervisors, for master trust services only, total six.

The size of the smallest master trust client is $4.3 million

The company's largest master trust client is $700 million.

The settlement date is used for accounting.

Basic master trust services include plan and investment accounting (unitized or dollar allocation), index fund, global fund, short-term investment fund and benefits payment.

The National Trust Co. also offers on-line terminal access (beginning in August).

Fees may be bundled or unbundled.

Fees are established commensurate with work involved.

The client contact is D.D. (Don) Landreville, vice president-employee benefit services.

Continued on page 28

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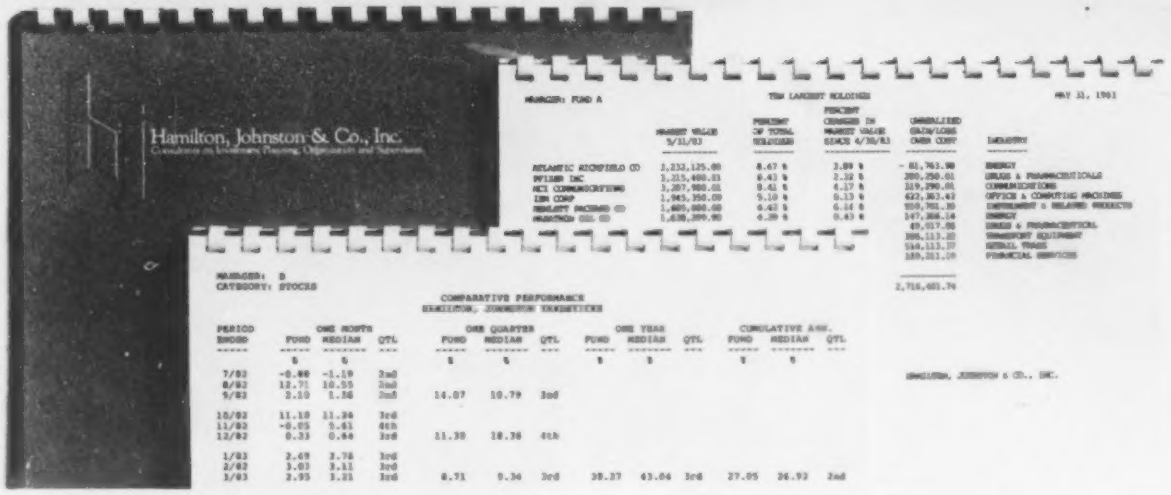

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r

Royal Trust
P.O. Box 7500, Station A, Toronto, Ontario M5W 1P9, Canada; (416) 867-2403

Master trust assets	$4,800,000,000
Master custodial assets	0
Other	$1,900,000,000

Royal Trust has 55 master trust clients. There are 12 account supervisors.

The size of the smallest master trust client is $4 million; the largest is $613 million.

Trade date and settlement date accounting are used.

Basic master trust services include monthly financial reports, on-line inquiry, on-line data entry for security transactions, use of CDS and DTC and deposit of income on payable date. Optional services include portfolio management system and performance measurement.

Reports to clients are delivered 10 to 15 days after end of period.

Fees are based on average market value for managed clients, and on average cost value for custodian clients.

The client contact is James A. Gordon.

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Public funds . . .

Continued from page 15

master trust and $20 billion in master custodian assets.

However, the growth in master custodial assets spurred a reversal in the rankings this year between second and third and between fourth and fifth. By gaining $15.2 billion in master trust/custodian assets during the nine months, State Street moved into second place with $43.2 billion in assets, ahead of Bankers Trust Co., New York, with its $8.1 billion increase to $41.5 billion.

Most of the new assets — $10.5 billion — State Street gained were from master custodian accounts, while most of Bankers' increase — $7.7 billion — was in master trust.

Some of State Street's new accounts included the Massachusetts State Employees & Teachers Retirement System, Boston, for a master custodian relationship of $1 billion; Champion Spark Plug Co., Toledo, Ohio, for a master trust relationship of $200 million; and Boise Cascade Corp., Boise, Idaho, for a master trust relationship of $275 million.

Bankers Trust's list included a master trust account from Avco Corp., Greenwich, Conn., for $400 million; a master trust account from Sybron Corp., Rochester, N.Y., for $148 million; and a master trust account from Hughes Aircraft Co., Culver City, Calif., for $2.6 billion.

Citibank, with $35.1 billion in assets, moved to fourth position, switching places with Northern Trust Co., Chicago, which dropped to fifth place with $32.8 billion.

Once again, the bank moving up in position, Citibank, saw its most significant increase of slightly more than $12 billion coming from the master custodian area, while Northern reported its most significant increase of almost $7 billion in the master trust area.

Others reporting strong upward moves included Irving Trust, moving from 14th to 10th with $4.3 billion in new assets bringing its total to $12 billion. Again, the most significant part of its increase — $3.2 billion — was acquired in the master custodian area.

National Bank of Detroit moved from 17th to 11th with a total of $10.2 billion in assets. Almost $2.4 billion of its $4.3 billion increase came in the master custodian area, however, there also was a significant increase in the master trust area.

RepublicBank Dallas went from 18th to 13th in the rankings with $9.8 billion in assets, a 75% increase from its $5.6 billion last July. Only $100 million of the $4.2 billion increase came in the master custodian area.

Wachovia Bank & Trust Co., Winston-Salem, N.C., moved up six places to 13th with a total of $8.3 billion in assets. Most of its $2.9 billion increase was in the master trust area; $165 million was in master custodian assets. ■

Service ...

Continued from page 15

Mr. Gundy also suggested that as those clients grow, they might find their banks not able to move up with them.

"If you talked with people in the money center banks, (banks with) under $5 billion would probably not be considered a master trustee," said Clayton A. Boggan, senior vice president and manager for the employee benefits department at Wachovia Bank & Trust Co., Winston-Salem, N.C. Wachovia had $5.4 billion in assets last July and this year reported $8.3 billion.

"Today, size is (supposedly) an indication of quality service. I don't believe that is true."

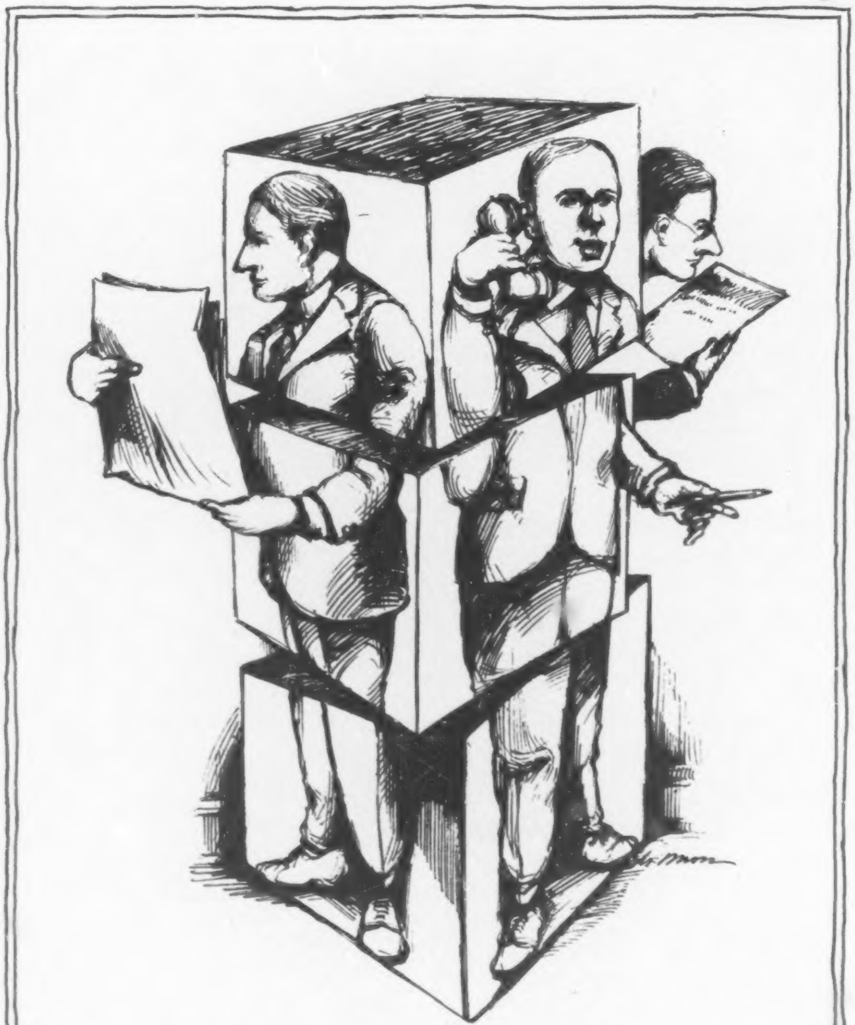
Mr. Boggan said there are a lot of banks with $5 billion and less in master trust/custodian assets that offer superb services. Sometimes a bank can get in a position where it can be overcomputerized and not be able to offer its services at a reasonable price, he said, adding, "Some clients don't need all those exotic bells and whistles."

First National Bank of Chicago, with master trust/custodian assets just slightly under $5 billion, finds it hard to believe some in the industry might question its commitment to offering a true master trust/custodian product, according to Daniel J. Lenckos, head of the master trustee division. For the past three years, he pointed out, the bank has been spending $3 million a year beefing up its services.

David J. Pittman, vice president at RepublicBank Dallas suggested, "If a bank is not there by now (over $5 billion in assets) it would be tough to get there." If a bank does not have the basic services such as global custody, securities lending, on-line capability and performance measurement services, then it would be hard to get in now and compete in the business, he said. RepublicBank last July had $5.6 billion in assets and in nine months moved up from 18th in the rankings to 13th, with $9.8 billion.

Mr. Pittman said that in the next five to 10 years he sees the lack of profit paring the number of master trust/custodian banks to about 15.

At the same time, he foresees increased interest by clients in the regional banks that can offer more personal attention. Once a bank has shown it has a commitment to developing the product and that it will continue to be there to offer the service, most companies would like to stay in their given region where they can get more personal attention, he added. ■



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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • July 11, 1983

Experts study unisex decision

Impact on most plans uncertain

By Joel Chernoff

WASHINGTON — The Supreme Court's ruling equalizing benefit payments could cost employers anywhere from $85 million to $676 million, according to previous Department of Labor estimates.

The range depends on how lower courts interpret the Supreme Court's ruling, and indicates that the ruling raises as many questions as it answers.

The ruling was handed down in a case involving the Arizona state pension system. Suits against Teachers Insurance & Annuity Association and the California pension plans were remanded to the lower courts for consideration in light of the upper court's ruling.

New York state also is involved in a similar suit, and because of state laws that may impose retroactive payments, it could be hit hard by the ruling.

In its July 6 ruling, the high court held that employer-sponsored plans cannot use sex-based actuarial tables in determining benefit payments. The ruling is effective for all benefits derived from contributions made after Aug. 1.

Plans that offer certain benefit options sometimes pay lower benefits to women who pay the same contributions as men because women generally live longer; paying lower monthly benefits equalizes the overall payments, actuaries argue.

But the court's ruling, in Ari-

Continued on page 46

Manny Hanny, Alliance, TCW

California fund picks 3, gets in under the wire

By Steve Hemmerick

LOS ANGELES — Manufacturers Hanover Trust Co., New York, was chosen as interim manager for about $8.4 billion of fixed assets held by the California Teachers' Retirement System only days before those assets would have been left unmanaged.

Alliance Capital, San Francisco, and Trust Co. of the West will split the remaining investments, all equity, 75%-25%.

The selection of outside managers has "never before been done in such a short time period to my knowledge," said Larry Davanzo, a consultant with Wilshire Associates, Los Angeles, which helped trustees of the $10 billion retirement fund select the three managers chosen from eight finalists.

Up until almost the last few days before the July 1 deadline, some trustees of the teachers' fund had hoped for an "extension" that would have allowed the investment staff of its sister fund, the California Public Employees' Retirement System, to continue managing the teachers' assets. The public employees' investment staff, which members said already was pressed with work, had been managing the teachers' assets with its own for more than 12 years.

In 1982, however, the state Legislature ordered separation of the teachers' and public employees' assets, effective July 1 this year, with the idea that such a large amount of assets, more than $27 billion, could be better managed separately.

However, the Legislature and administration, already fighting over the state budget, couldn't agree on salaries for staffers needed for the teachers' fund.

"While the (teachers') system has made substantial effort to comply with this (law) by preparing position descriptions, performing salary surveys and developing a budget for an independent teachers' investment operation, these efforts were frustrated by the inability to obtain through state administrative channels the approval of the required salary levels to enable recruitment of competent personnel," stated Michael Thome, executive director of the teachers' fund.

For example, the position of

Continued on page 43

Olympic panel hopes its cash strategy brings home the gold

By Steve Hemmerick

LOS ANGELES — The Los Angeles Olympic Organizing Committee, host of the 1984 Summer Olympics, has been "living for years off interest" on its assets, according to committee Treasurer Conrad Freund.

Payments from Olympic sponsors and television networks have been coming in quarterly beginning in 1979, and the Olympic committee in effect has been sitting on its assets, knowing its major expenditures were years away.

That interest on income, estimated to run about $40 million when the Olympics concludes in mid-August of 1984, will play an important part in the committee's intentions to run the Olympics at a profit.

What's unique about the scheduled 1984 Olympics, said Mr. Freund, is that it is the first time a private, non-profit organization, not a government agency, is hosting the Olympics.

According to Mr. Freund, the Los Angeles Olympic Committee has about $140 million in assets right now; that's up from a $260,000 deficit in 1979.

He said more money than expected has come in from profitable television network deals and corporate sponsorships. As a result of that income and higher than expected interest rates, the projections on interest earned from investments has increased "dramatically."

Freund: "No more secure investment possible" than Treasury bills

Many U.S. corporations, using their best cash management techniques, try to hold on to their cash for one night. The Los Angeles committee has been holding on to it for years.

Mr. Freund said the committee "wasn't greedy" and didn't try to time interest rates exactly. Some very short-term money market instruments were paying very high rates for a while in 1981 and 1982,

Continued on page 45

SEI, Becker discussing Funds Evaluation sale

CHICAGO — SEI Corp., a company that provides computer services to bank trust departments, is negotiating to buy A.G. Becker Paribas' Funds Evaluation Division.

An A.G. Becker executive confirmed discussions were under way between Becker and SEI but declined further comment. A spokesman for SEI, which is based in Wayne, Pa., also declined comment.

According to some sources, however, SEI has been negotiating with A.G. Becker since about April and a decision is near. Becker is believed to have set a price of about $18 million for the unit.

The Funds Evaluation Division consists of two basic parts, an institutional group and a pension sponsor group. The institutional group provides investment management performance measurement and marketing consulting to 320 bank trust departments and money management firms.

The pension sponsor group, which has 900 corporate relationships, provides investment performance data and investment policy planning and manager evaluation and selection services to corporations. It does 75 to 80 manager searches a year.

These two groups are supported by the A.G. Becker data center in which all of the pension fund and money manager performance data is stored.

The Funds Evaluation Division has 240 employees, of whom 45 to 50 are consultants and 10 to 12 are support staff for the consultants.

SEI reportedly is most interested in the data center, which it sees as a good fit for its computer and financial services to bank trust departments.

Its major products are trust accounting services and a money market fund in which banks invest their trust clients' short-term funds.

The company's revenues in 1982 were $39.7 million and it employs almost 600 people.

Some sources said that while SEI believes the A.G. Becker data center would be a good fit, SEI is less certain it wants to become involved in the consulting part of the business, particularly the pension consulting.

The sources said some investment management consulting firms had been approached by SEI to see

Continued on page 45

Late news

Lockheed appoints

BURBANK, Calif. — Lockheed Corp. has hired Security Pacific Investment Managers, Los Angeles, as an equity manager for its defined benefit fund, according to George Weintz, investment counsel. Lockheed, which has $2.8 billion in retirement assets, also has retained Anhalt/O'Connell as a fixed-income manager for its defined benefit plan. Anhalt/O'Connell was separated July 1 from Trust Co. of the West, Los Angeles. However, Mr. Weintz stressed Lockheed is keeping Trust Co. of the West as a manager for its defined benefit and defined contribution plans.

In another move, Lockheed brought in Delaware Investment Advisers, Philadelphia, as a manager for its defined benefit plan. Mr. Weintz declined to disclose the amount given each manager.

Nabisco options plan

PARSIPPANY, N.J. — Nabisco Brands' $400 million pension fund

Continued on page 2

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Assets, liabilities

New P&I Age survey relates corporate, pension statistics of Fortune 100: page 13

Valued at $50 million

Armco contributes own shares to fund

By Kimberly Blanton

MIDDLETOWN, Ohio — Armco Inc. has made a contribution of 1 million shares of cumulative, convertible preferred stock valued at $50 million to its $1.133 billion Armco Master Pension Trust.

The stock pays a 9% dividend and is convertible to common stock at a rate of 2.22 common shares for each share of preferred stock. The market price of Armco common stock, which is traded on the New York Stock Exchange, is between $17 and $18 per share.

The stock contribution covers part of Armco's 1982 fiscal-year stock contribution to two plans for virtually all of its salaried and union employees, according to Scott Aiken, supervisor of public information.

The entire contribution typically is made in cash. Armco's total annual contribution was about $170 million for 1982, according to *Pensions & Investment Age's* annual pension fund profiles.

One steel analyst said the stock contribution will save much-needed cash for the steel concern, which suffered a $128.4 million net loss for the quarter ending March 31. It also ran at a net loss through much of 1982. Armco's four-member benefit plan asset review committee, which initiated the stock contribution, placed it with the fund's master trustee, Chase Manhattan Bank and will direct its eventual sale, Mr. Aiken said.

Prior to the contribution, no Armco stock was held by the fund. The newly issued stock constitutes about 4.4% of the trust's assets, well below the 10% maximum set by the Employee Retirement Income Security Act.

Armco has placed an estimate of $50 on each share of preferred stock, which "doesn't have a market value until it is put on the market," Mr. Aiken said.

He added that to assure its validity, the estimate was "reviewed by an outside investment banking firm," which he declined to name.

About one month ago, Armco submitted its proposal to the Securities and Exchange Commission to make the new stock issue. The SEC made it effective June 24.

Armco's contribution of stock is a technique that has gained favor with many major corporations, a number of which have done so to save cash.

The growing list of companies that have made stock contributions includes American Airlines Inc., Eastman Kodak Co., Martin Marietta Corp. and Republic Steel Corp.

Unlike many companies that have made contributions of stock, Armco's did not accompany a public offering of similar shares. In this way, Armco's contribution resembles one made by United States Steel Corp. last fall (*P&I Age*, Sept. 13, 1982).

Companies that simultaneously issue shares into the market and into the fund have tagged on the contributed shares the market value of the shares sold publicly.

The review committee may direct the trust "at any time to sell part or all of the shares on terms to be determined at the time of each offering," Mr. Aiken said.

Mark Smith, who directs the plan's other investments, will not be involved in a decision to sell the contribution because he is not on the committee, Mr. Aiken said.

The committee members, who also are plan fiduciaries, include

Continued on page 42

Late news

Continued from page 1

hired Travelers Investment Management Co., Hartford, Conn., to run an options overwrite program, according to a source.

Trading began July 8. TIMCO will write options on a portfolio of 100 stocks managed by another firm. The portfolio is not managed actively.

TIMCO was hired to produce incremental return, another source said.

Phibro stock buyers

NEW YORK — Institutional money managers, bank trust departments and mutual funds were the predominant buyers of a secondary offering of 6 million shares of Phibro/Salomon Inc. common, priced $35.63 a share, July 6.

"About two-thirds of the buyers were institutional," said John Carney, syndicate manager at Lazard Freres & Co., the lead underwriter.

The shares were sold by Minorco, the Minerals and Resources Corp. of Bermuda. The offering raised about $213.78 million, of which Minorco's net proceeds would be approximately $207 million. The sale reduces the corporation's holdings in Phibro to about 22.3%.

Reportedly, institutional demand was high.

However, Mr. Carney added: "Yes, demand was high in the final analysis, but only after a lot of spadework. It was not an easy deal, because of the size and because of a very nervous market."

Legislation killed

CHICAGO — In a vote during the last hours of its recent session, the Illinois Legislature killed a bill that would have restructured the Chicago Transit Authority and would have canceled repayment of $24 million owed the $500 million CTA pension plan.

The $24 million debt to the pension plan resulted from monthly payments defaulted on in the second half of 1981.

Those payments had been used to bail out the financially strapped transport authority.

International venture

NEW YORK — Nomura Securities Co. and Morgan Guaranty Trust Co. plan to form a joint investment company to manage Japanese pension assets.

In the joint venture, Morgan will match the $3.1 million Nomura has contributed to its subsidiary, Nomura Investment Management Co.

Teachers awarded

TRENTON, N.J. — Professors and teaching staff at two colleges in New Jersey are to be awarded $240,000 in an out-of-court settlement reached July 5 with the New Jersey Division of Pensions.

The amount was awarded as interest on state and employee contributions made to the variable annuities plan for teaching staff at Rutgers University and UMDNJ, formerly the University of Medicine and Dentistry, New Jersey.

The original contributions consistently had arrived late for a period of about two years (*Pensions & Investment Age*, Sept. 27, 1982).

The agreement, subject to court approval, also stipulated that all future contributions be made within 30 days of the due date.

State mortgage plan

CHARLESTON, W. Va. — The $2.3 billion West Virginia State Board of Investment has approved a $10 million mortgage program providing loans for single-family residences.

The program proposed by state Treasurer Larrie Bailey would provide loans at 12.25% for 15 years. The maximum loan commitment to any one lender would be $1 million and the loans would be made for new and existing housing in West Virginia.

In another action, the board decided to retain only one of its two current financial investment advisers to save $20,000 a year in adviser fees.

A.G. Becker, Chicago, was dropped, while Loomis, Sayles & Co., Boston, was retained as adviser for the fund.

Timken realty move

CANTON, Ohio — The Timken Co. hired Wachovia National Bank & Trust Co., Winston-Salem, N.C., Rosenberg Real Estate Equity Fund, San Francisco, and JMB Institutional Realty Corp., Chicago, to increase pension investments in commingled real estate funds, according to a company spokesman.

Wachovia already managed a balanced account for the $575 million pension fund.

Allocations to each firm were not available.

Baker gets new job

NEW YORK — George R. Baker, formerly executive vice president and head of general banking services at Continental Illinois Corp. and Continental Illinois National Bank and Trust Co. in Chicago, has joined the investment banking firm of Bear, Stearns & Co. as a special limited partner.

BBS gains Hanauer

LIVINGSTON, N.J. — BBS Securities Group, the holding company for the investment banking firm of Bevill, Bresler & Schulman Inc., has acquired Hanauer, Stern & Co. The acquisition price was not disclosed.

Hanauer Stern will operate as a BBS subsidiary, according to Gil Schulman, president of Bevill, Bresler & Schulman.

The acquisition puts BBS among the larger regional investment banking firms specializing in fixed-income securities, Mr. Schulman said.

Foreign funds have $14 billion in U.S.

Federal Reserve study covering four countries finds financial holdings predominate portfolios

By Ivy Schmerken

NEW YORK — Foreign pension funds have invested about $14 billion in the United States, with $11 billion in financial assets, according to a new study by the Federal Reserve Bank.

The study covers the pension funds of four countries — the United Kingdom, the Netherlands, Canada and Japan. It found that although financial assets dominate the investments, the funds have begun to diversify away from those holdings.

Within the next five years, the rate of inflow from the foreign funds is expected to be nearly matched by the outflow of U.S. pension funds investing overseas, according to the study.

The pension funds in the four major investing countries had total assets of $342.5 billion based on foreign currency exchange rates at the end of 1981.

U.K. pension assets totaled $185 billion; Dutch pension assets, $50 billion; Canadian pension assets, $63.5 billion; and Japanese assets, $44 billion.

The funds have invested $13 billion to $14 billion in the United States, of which about $11 billion is U.S. financial assets.

A trend toward broader international diversification of pension investments is evident in countries

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Vol. 11, No. 14 — Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Hay leaves his N.Y. State post to join adviser

NEW YORK — William C. Hay resigned as chief investment officer and chief operating officer of the $18 billion New York State Common Retirement Fund June 28 to become a principal in the investment firm Smith Affiliated Capital Corp.

His resignation is effective Aug. 1; his replacement is expected to be named before then.

Mr. Hay supervises the investment management of a $3 billion stock index fund.

The New York State Common Retirement Fund is the second largest pension fund in the nation after American Telephone & Telegraph's $45 billion pension trust.

Mr. Hay joined the fund in 1980 after many years in portfolio management with Citibank and several years managing money for the state of New Jersey.

William Hay: Another public fund executive enters the private sector

He will join Smith Affiliated Capital as an executive vice president responsible for managing individual and institutional portfolios with Robert G. Smith, president. Mr. Smith was affiliated with Grey, Siefert before starting his own firm June 1982.

Smith Affiliated has $100 million under management. Many clients are state and local government and

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Pension fund stats viewed with financial statements take U.S. corporate pulse

Securities analysts increasingly are taking a closer look at pension fund numbers in assessing corporate health

This year, Pensions & Investment Age *is inaugurating what will be an annual feature: the comparison of pension fund statistics with corporate financial statistics, as reported in annual reports.*

Although there are problems with such comparisons, they are the only statistics available, and it is clear analysts are starting to pay attention to the numbers. In addition, if the Financial Accounting Standards Board proposal to include pension statistics on balance sheets is approved, pension funds will have an enormous impact on corporate financial statements.

All figures presented here were derived from the 1982 corporate annual reports of the Fortune 100 companies. The statistics in those reports are specified by the Financial Accounting Standards Board's Opinion No. 36.

The information on this and subsequent pages was researched by Kimberly Blanton and Sally Duros. All material is copyright 1983 by Crain Communications Inc.

CHICAGO — The characteristics of the pension plans of the nation's largest 100 companies are as diverse as the companies themselves — and their effects on those firms are just as diverse.

Bethlehem Steel Corp.'s plan assets fall short of its vested liability by an amount equal to a full 67% of its net worth. The steel company's funding status contrasted starkly with that of Lockheed Corp., which had assets in excess of its vested pension liabilities that amounted to 167.8% of its net worth.

These statistics and others comparing companies' pension fund data with the balance sheet and the income statement have been taken from the 1982 annual reports of the Fortune 100 companies ranked by sales *(see table, next page).*

They provide a guide to securities analysts, who increasingly are looking at pension fund statistics in assessing the financial health of the companies they follow.

On the income statement, pension expense can be compared with adjusted operating income to get an idea of what role pension expense plays in the company's cost structure. Adjusted operating income refers to operating income with pension expense added back, to make a comparison meaningful.

Pension expense was four times greater than the adjusted operating income at Ford Motor Co., but just 1% at Amerada Hess Corp., an oil concern.

Some companies have accumulated assets in their pension funds that rival the asset side of the balance sheet. Lockheed's $2.5 billion fund exceeds its corporate assets, and Greyhound Corp.'s fund amounts to almost half of its corporate assets.

Whether a plan is over- or underfunded and the cost of funding it annually are the biggest pension-related clues stock analysts use to read between the lines of companies' financial statements.

The attention many security analysts give to the pension fund in turn relates to the magnitude of these statistics: the bigger the deficit, the more ominous it is.

Analysts for companies in heavy industry, where the outstanding statistics occur most, are keenly aware that a high unfunded vested liability reduces the company's true net worth. If assets in the plan fall short of vested liabilities, the plan's vested funding status is negative.

Analysts of service companies that have well-funded plans and low pension expense dismiss the fund as an unimportant consideration. They are aware of the fund, however, and admit that if these companies' fund data reached the level of those in basic manufacturing, it would become crucial.

Derick Driemeyer, a vice president who has spent many years analyzing various industries at A.G. Edwards & Sons, St. Louis, stressed the importance of the pension fund.

"All you have to do is look at the liability Bethlehem Steel has" to know it matters, he said, adding, "it's not going to be important in the drug industry."

If a plan's deficit approaches its net worth, "the so-called secured creditors don't really have assets," explained Paul Plaettner a senior analyst with Crowell, Weedon & Co. Mr. Plaettner, a former steel-company analyst who scrutinized pension plans, now analyzes companies in health services and products.

Although a deficit in the plan reflects poorly on a company, the opposite case — a company with a surplus in the plan — is not better off, he said. An underfunded plan represents a claim on the company, but excess assets belong to the plan members and not the corporation, Mr. Plaettner explained.

"A surplus is a zero, and a deficit is a negative," he added.

Some companies have terminated their plans, however, and have used the excess assets for corporate purposes (*Pensions & Investment Age*, June 13).

As is the case in the health-care and supply industry, "If the pension plan is a small part, who cares," Mr. Plaettner said.

He pointed to Johnson & Johnson: its fund assets exceeded vested liabilities by $115.9 million in 1982, or 4.1% of its net worth. Its $64.5 million pension expense also was low on the list as a percentage of adjusted operating income, 8.5%.

"Pensions are only a problem when companies are in trouble," concurred Robert Grant, a steel analyst for Lehman Bros. Kuhn Loeb Inc., who looks closely at steel companies' unfunded vested liability. Moreover, "Older companies have large pension liabilities, because they have unions, and they tend to have been around for a long time" and accrued a significant liability, he added.

"I think they've been overstating their income for some time," and the pension fund is partially behind that chronic problem, he explained.

> *Funding status primarily hits corporations negatively: "A surplus is a zero, and a deficit is a negative."*

There are problems in comparing pension fund liabilities. There are no standards accounting methods, and a large number of different funding methods are used. However, the liabilities are gaining the attention of analysts.

Moreover, the Financial Accounting Standards Board has proposed that fund assets and liabilities be placed on the balance sheet. Already, standard accounting practices recently adopted require pension fund accounting in the footnotes.

Of the FASB balance sheet proposal, Mr. Grant said, "I am in favor of anything that effectively reduces the earnings or the net worth of the steel companies." He said their accounting is too "liberal."

On the balance sheet, unfunded liability could detract substantially from the net worth of many companies.

The statistics provide a number of examples: Bethlehem Steel topped the list of companies with unfunded vested liability as a percent of net worth. Its pension fund was $830 million short of assets, and the deficit amounted to 67.1% of its $1.2 billion net worth. Next were LTV Corp., with a deficit amounting to 22.6% of its $1.1 billion net worth; General Motors, with a deficit equal to 10.5% of its $18.3 billion net worth; and CPC International, with a deficit at 4.9% of its $1.3 billion net worth.

Next were American Can's unfunded liability at 3.4% of net worth; Westinghouse Electric Corp., 3.2%; Bendix Corp., 2.5%; and American Brands, 2.4%.

On the other hand, many corporations have a large surplus of assets over vested liabilities. Lockheed was first among those corporations with surpluses as a percentage of net worth: its $702 million pension surplus amounted to 167.8% of its $418.4 million net worth.

Firestone Tire & Rubber Co.'s $403 million surplus amounted to 30.9% of its $1.3 billion net worth; Agway International had a surplus at 26.9% of its $285.8 million net worth; McDonnell Douglas, 26.7% of net worth of $1.8 billion; and E.I. du Pont de Nemours & Co., 26.5% of net worth of $10.8 billion.

Pension expense is another area scrutinized by analysts. In fact, some consider this aspect more carefully because they are concerned with the immediate cost — pension expense — than with an unfunded liability that looms in the future.

"Rarely do I consider the size of the unfunded pension liability," said Alfred Nelson, auto analyst for A.G. Becker Inc.

"When are you going to have to meet this? That is a difficult judgment to make."

"Investment decisions will probably occur more frequently in the short run than any longer run decision where you'd have to consider the pension liability," he continued.

"For the people operating the company," however, the pension fund expense's "demands on cash flow can be very, very large."

Kenneth Pinkes, director of industrial research at Moody's Investor Services Inc., believes pension expense as either a percentage of sales or operating income "gives you some idea" of "how material (pension expense) is as a part of the company's cost structure."

He admits, however, that the statistic is lacking because operating income and sales fluctuate annually, but it is one way to assess "how many times is the company more profitable than the cost of meeting its pension expense," a fixed charge.

Pension expense as a percentage of operating income varies widely among companies. Ford Motor Co.'s pension expense is 427.6% of its adjusted operating income. Armco Steel's is 176.4%; Alcoa's, 154.2%; General Motors Corp., 61.9%; and United States Steel, 43.2%.

Bethlehem Steel and International Harvester Co., both with substantial pension expense, had negative adjusted operating and the percentage figures were meaningless. Bethlehem Steel's pension expense was $333.9 million, against an operating deficit of $497.9 million. International Harvester's $160 million pension expense compared with a $327.5 million operating deficit.

Other analysts gloss over the pension fund data in annual reports. "I will glance at it, but by and large it's not an important number in the companies I follow," accord-

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The largest unfunded liabilities as a percentage of net worth

Company	Funding status as a % of net worth
Bethlehem Steel	(67.1)%
LTV	(22.6)
General Motors	(10.5)
CPC International	(4.9)
Armco	(4.8)

The largest fund surpluses as a percentage of net worth

Company	Funding status as a % of net worth
Lockheed	167.8%
Firestone	30.9
Agway	26.9
McDonnell Douglas	26.7
Du Pont	26.5

Companies with pension expense of over 50% of operating income

Company	Pension expense as % of adjusted operating income*
Ford Motor Co.	427.6%
Armco	176.4
Alcoa	154.2
International Paper	136.2
Deere & Co.	78.4
Chrysler	76.0
General Motors	61.9
American Can	57.5

*Operating income plus pension expense

Largest pension assets as a percentage of net worth

Company	Pension assets as a % of net worth
Lockheed	603.3%
Bethlehem Steel	187.9
Rockwell International	131.5
LTV	129.8
Ford Motor	118.8

Largest pension assets as a percentage of corporate assets

Company	Pension assets as a % of corporate assets
Lockheed	102.4%
Rockwell International	56.6
Bethlehem Steel	50.4
General Dynamics	49.1
Greyhound	48.9

Pension funds, balance sheets

Company	Total pension benefits $ mil.	Vested benefits $ mil.	Fund assets $ mil.	Vested funding status $ mil. 1982	Vested funding status $ mil. 1981	Assumed rate of return (%) 1982	Assumed rate of return (%) 1981	Net worth $ mil.	1982 vested funding status as percentage of net worth %	Pension assets as percentage of net worth %	Corporate assets $ mil.	Pension assets as percentage of corporate assets %	Pension expense $ mil.	Operating income $ mil.	Pension expense as percentage of adjusted operating income %
Agway	127.4	121.1	198.1	77.0	68.7	5.0-14.0	5.0-12.0	285.8	26.9	69.3	1,396.1	14.2	18.1	73.1	19.8
Allied	936.0	879.0	810.0[1]	(69.0)	(43.0)	8.0	8.0	3,207.0	(2.2)	25.3	6,272.0	12.9	80.0	785.0	10.2
Alcoa	1,600.7	1,445.0	1,375.2	(69.8)	(81.2)	9.3	10.0	3,112.5	(2.2)	44.2	5,989.5	23.0	179.6	(63.1)	154.2
Amerada Hess	51.3	47.2	106.9	59.7	51.7	10.0	9.0	2,570.5	2.3	4.2	6,145.3	1.7	5.7	662.6	0.8
American Brands	410.2	382.3	335.6	(46.7)	(21.2)	8.0	8.0	1,924.8	(2.4)	17.0	4,040.3	8.3	66.6	631.9	9.5
American Can	981.5	928.9	901.6	(27.3)	12.9	9.0	9.0	804.1	(3.4)	112.1	2,647.3	34.1	76.4	56.5	57.5
American Home Products[2]	—	—	—	—	—	—	—	—	—	—	—	—	13.3	1,021.9	1.3
Anheuser-Busch	255.0	231.6	314.2	82.6	54.6	8.2	8.5	1,526.6	5.4	20.6	3,902.8	8.1	52.7	492.9	9.7
Armco	1,546.2	1,263.9	1,169.5[1]	(94.4)	(66.5)	8.5	8.5	1,980.8	(4.8)	59.0	4,156.5	28.1	138.1	(59.8)	176.4
Ashland Oil	198.7	181.3	340.2	158.9	129.9	9.5	8.3	1,047.2	15.2	32.5	4,210.5	8.1	29.8	178.4	14.3
Atlantic Richfield	1,487.0	1,404.0	1,513.0	109.0	173.0	8.0	8.0	9,868.3	1.1	15.3	21,632.8	7.0	134.0	2,732.0	4.7
Beatrice Foods	256.3	235.8	328.5	92.7	74.8	8.2-12.3	8.0	2,214.8	4.2	14.8	4,731.7	6.9	42.0[3]	694.2	5.7
Bendix	1,019.4	914.5	876.8	(37.7)	(134.2)	9.6	8.5	1,481.0	(2.5)	59.2	3,870.8	22.7	132.2	231.4	36.4
Bethlehem Steel	3,317.0	3,154.0	2,324.0	(830.0)	(282.0)	10.0	10.0	1,236.8	(67.1)	187.9	4,611.3	50.4	333.9	(497.9)	m
Boeing	1,932.0	1,712.0	2,401.0	689.0	266.0	8.5	8.5	2,813.0	24.5	85.4	7,593.0	31.6	210.0	224	48.4
Borden	240.5	230.7	241.9	11.2	14.6	8.3	8.3	1,341.3	0.8	18.0	2,589.7	9.3	16.3[3]	260.0	5.9
Burroughs	544.3	516.8	571.1	54.3	(16.2)	8.6	8.7	2,040.6	2.7	28.0	4,123.1	13.9	53.9	156.3	25.6
Caterpillar	2,331.0	2,144.0	1,993.0	(151.0)	(428.0)	7.5	7.5	3,496.0	(4.3)	57.0	7,201.0	27.7	221.0	(253.0)	m
Charter	10.5	10.2	14.2	4.0	3.4	8.5	6.5-8.0	640.8	0.6	2.2	1,628.0	0.9	3.6	134.7	2.6
Chrysler	3,273.5	2,849.5	1,948.2[1]	(901.3)	(943.4)	10.2	9.3	(329.8)	m	m	6,263.5	31.1	271.7	85.7	76.0
Coastal	101.4	87.0	107.8	20.8	28.5	5.5	5.5	523.9	4.0	20.6	3,225.7	3.3	11.9	241.9	4.7
Coca-Cola	192.6	178.3	234.8	56.5	46.4	10.0	9.0	2,778.7	2.0	8.4	4,923.3	4.8	37.0	894.3	4.0
Colgate-Palmolive	429.6	396.0	485.2	89.2	115.5	6.8	6.8	1,321.3	6.8	36.7	2,574.4	18.8	51.0	366.8	12.2
Consolidated Foods	136.9	110.6	141.1	30.5	9.9	7.0	6.0	924.0	3.3	15.3	2,398.8	5.9	28.7	295.6	8.8
Continental Group	933.0	870.0	918.0	48.0	69.0	9.0	8.5	1,629.3	2.9	56.3	4,206.4	21.8	81.4	234.0	25.8
Control Data	203.8	196.7	277.3	80.6	73.7	7.8	7.8	1,725.0	4.7	16.1	6,911.9	4.0	26.0	582.9	4.3
CPC International	228.7	216.7	152.9	(63.8)	(54.2)	8.0	8.0	1,305.7	(4.9)	11.7	2,413.0	6.3	34.5	440.5	7.3
Dart & Kraft	600.2	566.2	819.4	253.2	264.8	6.5-8.0	6.5-8.0	2,774.0	9.1	29.5	5,133.8	16.0	45.3	754.1	5.7
Deere	814.0	756.0	1,114.0	358.0	207.0	9.6	8.9	2,388.2	15.0	46.7	5,935.0	18.8	118.0	32.5	78.4
Digital Equipment	78.8	45.9	172.8	126.9	83.2	6.0	6.0	3,164.0	4.0	5.0	4,024.0	4.3	61.8	584.8	9.6
Dow Chemical	1,219.0	1,044.0	1,168.0	124.0	139.0	8.0	8.0	5,040.0	2.5	23.2	11,807.0	9.9	126.0	356.0	26.1
Dresser	560.9	519.9	617.2	97.3	53.6	8.0	7.5	2,019.2	4.8	30.5	3,310.9	18.6	61.2	278.6	18.0
E.I. Du Pont	4,875.0	4,767.0	7,643.0	2,876.0	2,003.0	9.6	10.4	10,850.0	26.5	70.4	24,343.0	31.4	537.0	2,533.0	17.5
Eastman Kodak	2,060.0	1,809.0	2,742.0	933.0	314.0	9.0	6.3	7,541.0	12.4	36.4	10,622.0	25.8	186.0	1,860.0	9.1
Exxon	3,299.0	3,132.0	4,245.0	1,113.0	840.0	7.9	7.8	28,440.2	3.9	14.9	62,288.5	6.8	557.0	4,442.3	11.1
Firestone Tire & Rubber	628.0	598.0	1,001.0	403.0	189.0	15.9	13.0	1,303.0	30.9	76.8	2,672.0	37.5	18.0	154.0	10.5
Ford Motor	8,310.0	7,050.0	7,220.0	170.0	(660.0)	8.0	8.0	6,077.5	2.8	118.8	21,967.7	32.9	631.2	(483.6)	427.6
General Dynamics	1,113.9	1,036.6	1,295.3	258.7	150.2	7.0	7.0	1,175.0	22.0	110.2	2,639.5	49.1	108.7	266.7	28.9
General Electric	7,688.0	7,160.0	8,682.0	152.2	769.0	7.5	6.0	10,198.0	1.5	85.1	21,615.0	40.2	570.0	2,405.0	19.1
General Foods	839.5	779.9	932.0	152.1	119.5	6.5	6.5	1,625.8	9.4	57.3	3,860.7	24.1	77.7	563.8	12.1
General Mills	292.0	269.0	323.0	54.0	45.0	10.5	9.5	1,232.2	4.4	26.2	2,701.7	11.9	39.5	481.8	7.6
General Motors	18,101.9	16,347.8	14,432.8	(1,915.0)	(2,836.5)	10.3	10.0	18,287.1	(10.5)	78.9	41,397.8	34.9	1,565.9	961.9	61.9
Georgia Pacific	222.0	191.0	219.0	28.0	(3.0)	6.5	6.0	1,989.0	1.4	11.0	5,150.0	4.3	16.0	177.0	8.3
Getty Oil	449.1	421.7	486.6	64.9	120.6	7.0	7.0	5,100.6	1.3	9.5	9,924.5	4.9	50.0	1,692.5	2.9
Goodyear Tire & Rubber	1,602.1	1,475.5	1,572.8	97.3	(11.8)	8.5	8.5	2,457.2	4.0	64.0	5,193.5	30.3	120.1	632.5	16.0
W.R. Grace	228.0	214.0	348.9	134.9	96.2	6.5	6.4	2,198.0	6.1	15.9	4,915.7	7.1	28.3	477.5	5.6
Greyhound	979.8	929.7	981.9[1]	52.2	86.5	9.0	9.0	960.4	5.4	102.2	2,007.2	48.9	74.9	147.2	33.7
Gulf Oil	1,347.0	1,285.0	1,923.0	638.0	506.0	10.6	9.9	9,914.0	6.4	19.4	20,436.0	9.4	185.0	2,320.0	7.4
Gulf & Western	329.0	312.0	377.0	65.0	65.0	10.0	10.0	2,176.7	3.0	17.3	5,847.2	6.4	52.4	350.1	13.0
Hewlett Packard	401.0	285.0	500.0	215.0	174.0	10.3	10.0	2,349.0	9.2	21.3	3,470.0	14.4	85.0[3]	676.0	11.2

DEFINITIONS

Total pension benefits:
The actuarial present value of benefits promised to all past and present employees based on service already performed.

Vested benefits:
The present value of all benefits accrued by employees who have worked long enough with the company to have a legal right to the benefits.

Fund assets:
The market value of the assets that have been set aside to fund pension benefit payments.

Vested funding status:
Fund assets minus vested benefits. Overfunded plans have a positive status; plans with an unfunded vested liability have a negative status.

Assumed rate of return:
The weighted average interest rate the company's actuary uses in deriving the present value of total pension benefits.

Net worth:
The amount of equity available for stockholders as shown on the company's balance sheet.

Adjusted operating income:
Operating income plus pension expense.

Operating income:
Income derived from actual operations of the company. For this study, we attempted to use a consistent definition throughout. In general, interest and other financial expense, interest and other financial income, equity in affiliated companies, non-recurring items such as plant shutdown costs, and income taxes were excluded from a calculation of net income.

and income statements: 1982

Company	Total pension benefits $ mil.	Vested benefits $ mil.	Fund assets $ mil.	Vested funding status $ mil. 1982	Vested funding status $ mil. 1981	Assumed rate of return (%) 1982	Assumed rate of return (%) 1981	Net worth $ mil.	1982 vested funding status as percentage of net worth %	Pension assets as percentage of net worth %	Corporate assets $ mil.	Pension assets as percentage of corporate assets %	Pension expense $ mil.	Operating income $ mil.	Pension expense as percentage of adjusted operating income %
Honeywell	896.0	775.3	787.7	12.4	(4.8)	8.0-15.6	8.0	2,143.4	0.6	36.8	4,470.9	17.6	91.5	334.8	21.5
I.C. Industries	293.3	274.0	276.9	2.9	(14.8)	8.0	7.0	1,131.1	0.3	24.5	3,952.4	7.0	23.1[3]	163.9	12.4
IBM	6,986.0	6,748.0	8,390.0	1,642.0	997.0	5.5	5.5	19,960.0	8.2	42.0	32,541.0	25.8	1,187.0	8,056.0	12.8
International Harvester	2,206.0	2,035.0	1,195.0	(840.0)	(1,135.0)	7.0-15.6	7.0	(216.8)	m	m	3,698.7	32.3	160.0	(327.5)	m
International Paper	709.0	682.0	961.0	279.0	294.0	7.5	8.8	3,205.2	8.7	30.0	5,566.2	17.3	29.0	(7.7)	136.2
ITT	1,651.3	1,490.3	1,664.0	173.7	245.1	8.9	8.9	6,122.6	2.8	27.2	14,131.7	11.8	276.0	903.5	23.4
Johnson & Johnson	273.4	249.1	364.2	115.1	115.9	7.5	7.5	2,799.5	4.1	13.0	4,209.6	0.9	64.5	698.0	8.5
Kerr-McGee	91.1	88.2	126.1	37.9	38.1	6.0	6.0	1,672.4	2.3	7.5	3,762.6	3.4	11.1	419.1	2.6
Land O'Lakes	34.4	31.9	48.7	16.8	12.1	7.0-8.5	n/a	244.2	6.9	19.9	792.5	6.1	4.5	30.3	12.9
Litton Industries	539.0	529.0	579.0[4]	50.0	(14.0)	7.0	7.0	1,676.9	3.0	34.5	3,836.8	15.1	35.4	439.1	7.5
Lockheed	1,894.0	1,822.0	2,524.0	702.0	516.0	8.6	9.3	418.4	167.8	603.3	2,464.4	102.4	157.0	457.0	25.6
LTV	1,892.7	1,701.1	1,448.4	(252.7)	(125.0)	10.0	10.0	1,115.8	(22.6)	129.8	4,023.2	36.0	166.0	(264.9)	m
McDermott	515.2	441.4	581.4	140.0	76.6	9.0	8.0	1,174.6	11.9	49.5	4,030.0	14.4	83.1	410.3	16.8
McDonnell Douglas	1,725.8	1,514.4	2,000.7	486.3	482.8	8.0	8.0	1,819.6	26.7	110.0	4,621.8	43.3	195.7[3]	230.7	45.9
3M	651.0	526.0	733.0	207.0	250.0	8.0	8.0	3,548.0	5.8	20.7	5,514.0	13.3	103.0	1,048.0	8.9
Mobil	2,876.0	2,796.0	2,948.0	152.0	(244.0)	6.0	6.0	14,742.0	1.0	20.0	36,439.0	8.1	289.0	3,045.0	8.7
Monsanto	1,543.0	1,366.0	1,697.0	331.0	137.0	7.5	7.5	3,490.0	9.5	48.6	6,077.0	27.9	136.0	501.0	21.4
Motorola	94.0	78.0	189.0	111.0	109.0	7.0	6.0	1,700.1	6.5	11.1	2,833.2	6.7	11.2	259.9	4.1
Nabisco Brands	389.7	369.6	338.7	(30.9)	(9.8)	9.0	9.0	1,835.9	(1.7)	18.4	3,691.6	9.2	72.6	554.3	11.6
Occidental Petroleum[5]	694.9	645.8	991.0	345.2	111.3	8.0-13.0	8.0	2,689.7	12.8	36.8	15,772.5	6.3	30.0	1,587.3	1.9
Pepsico	261.8	201.8	283.1	81.3	79.8	7.0	7.0	1,650.5	4.9	17.2	4,197.5	6.7	44.3	643.6	6.4
Philip Morris	398.3	332.2	490.5	158.3	88.3	7.5	6.5	3,662.9	4.3	13.4	9,691.9	5.1	89.7	1,650.5	5.2
Phillips Petroleum	813.0	710.0	1,092.0	382.0	407.0	8.0	8.0	5,773.0	6.6	18.9	12,097.0	9.0	65.0	2,132.0	2.9
Procter & Gamble[6]	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ralston Purina	201.5	172.2	272.2	100.0	101.1	6.0	6.0	1,100.1	9.1	24.7	2,113.8	12.9	19.1	378.8	4.8
Raytheon	542.5	502.2	668.7	166.5	25.9	n/a	n/a	1,711.8	9.7	39.1	3,510.2	19.1	85.1	387.3	18.7
R.J. Reynolds	746.0	624.0	866.0	242.0	196.0	8.0	8.0	4,766.0	5.1	18.2	10,355.0	8.4	114.0	1,594.0	6.7
Rockwell International	2,770.0	2,409.0	2,758.0	349.0	406.0	7.0	7.0	2,097.3	16.6	131.5	4,870.3	56.6	258.3	452.5	36.3
Shell Oil	1,058.0	960.0	1,657.0	697.0	559.0	9.5	10.0	10,290.0	6.8	16.1	21,376.0	7.8	154.0	2,842.0	5.1
Signal Cos.	753.0	660.1	710.2	50.1	97.6	7.5	7.5	1,694.5	2.9	41.9	3,608.7	19.7	89.7	208.8	30.0
Sperry	730.3	676.9	1,041.7	364.8	209.2	8.0	8.0	2,384.4	15.3	43.7	5,343.0	19.5	98.3	594.5	14.2
Standard Oil (Calif.)	1,005.0	968.0	1,191.0	223.0	220.0	8.0	7.0	13,246.0	1.7	9.0	23,490.0	5.1	108.0	1,896.0	5.4
Standard Oil (Ind.)	1,386.0	1,353.0	1,433.0	80.0	(48.0)	8.0	8.0	11,426.0	0.7	12.5	24,289.0	5.9	145.0	3,368.0	4.1
Standard Oil (Ohio)	970.0	900.0	1,010.0	110.0	80.0	7.0	7.0	7,221.0	1.5	14.0	16,016.0	6.3	86.0	3,697.0	2.3
Sun Co.	823.0	775.0	1,010.0	235.0	353.0	8.0	7.5	5,192.0	4.5	19.5	12,019.0	8.4	87.0	1,005.0	8.0
Texaco	767.0	704.0	1,173.0	469.0	398.0	9.8	8.8	14,226.0	3.3	8.2	27,114.0	4.3	174.0	1,855.0	8.6
Texas Instruments	196.5	172.9	338.7	165.8	161.8	6.0	6.0	1,360.8	12.2	24.9	2,631.4	12.9	47.7	235.7	16.8
Tenneco	743.0	662.0	696.0	34.0	7.0	7.2	7.0	5,474.0	0.6	12.7	17,378.0	4.0	101.0	1,533.0	6.2
TRW	953.5	879.0	1,136.1	257.1	102.3	8.5	8.5	1,519.5	16.9	74.8	3,124.8	36.4	107.8	329.9	24.6
Union Carbide	1,304.0	1,206.0	1,732.0	526.0	444.0	10.0	9.0	5,159.0	10.2	33.6	10,616.0	16.3	177.0	459.0	27.8
Union Oil of Calif.	624.3	593.2	714.2	121.0	66.6	7.0	7.0	4,745.1	2.5	15.1	8,511.3	8.4	56.8	1,371.2	4.0
Union Pacific	194.7	194.7	218.5	23.8	63.2	7.0	7.0	3,888.0	0.6	5.6	9,999.0	2.2	27.0	1,044.9	2.5
United Brands	219.1	200.5	215.3	14.8	33.2	8.7	8.0	568.2	2.6	37.9	1,265.3	17.0	16.6	39.1	29.8
U.S. Steel	6,799.0	6,384.0	7,239.0	855.0	139.0	10.0	10.0	6,468.0	13.2	111.9	19,432.0	37.3	307.0	403.0	43.2
United Technology	2,111.6	1,972.1	2,855.8	883.7	620.0	7.8	7.3	3,481.8	25.4	82.0	7,993.4	35.7	200.1	869.6	18.7
Warner Communications	46.4	40.9	64.3	23.4	23.9	8.0	8.0	1,396.0	1.7	4.6	3,186.4	2.0	7.7	447.0	1.7
Western Electric[7]	—	—	—	—	—	—	—	—	—	—	—	—	493.1	1,220.4	28.8
Westinghouse Electric	3,209.3	2,817.2	2,715.2	(102.0)	(289.4)	8.3	8.3	3,175.0	(3.2)	85.5	8,427.3	32.2	152.0	523.8	22.5
Weyerhaeuser	418.0	396.6	470.8	74.2	122.8	9.5	9.5	3,084.9	2.4	15.3	5,924.4	7.9	46.6	179.3	20.6
Xerox	901.7	889.2	943.2	54.0	40.0	8.0	7.0	3,724.3	1.4	25.3	7,667.7	12.3	163.8	819.1	16.7

Vested funding status as a percentage of net worth:
A comparison of the vested funding status, either positive or negative, to a company's net worth. A negative figure shows the amount by which net worth is reduced if unfunded liabilities are taken into consideration.

Corporate assets:
The value of all corporate assets, as shown on the balance sheet.

Pension expense:
The amount charged against income to fund benefit payments in a given year.

[1] Includes assets the company owes but has not contributed to the plan
[2] American Home Products' entire plan is insured with Metropolitan Life Insurance Co.
[3] Includes Canadian or overseas plans
[4] Asset level not available in the annual report; assets taken from *Pensions & Investment Age*'s annual fund profiles, Jan. 24
[5] Occidental has since terminated three of its plans and one Cities Service plan
[6] Procter & Gamble has a profit-sharing plan and no defined benefit plan
[7] Western Electric's plan is part of the consolidated AT&T plan
m Pension statistics as percentages of either a negative net income or negative operating profit are meaningless

The largest increases in vested funding status

Company	Change in status from 1981 to 1982 ($ millions)
General Motors	921.5
Du Pont	873.0
Ford Motor	830.0
U.S. Steel	716.0

The largest declines in vested funding status

Company	Change in status from 1981 to 1982 ($ millions)
General Electric	–616.8
Bethlehem Steel	–548.0
LTV	–127.7
Sun	–118.0

Pensions and finances . . .

Continued from page 13

ing to Larry Litton, an aerospace analyst for Drexel Burnham. The data are "insignificant in magnitude to alter the course" of the companies Mr. Litton watches.

Boeing Co. had difficulty in the recent recession. As a result, its pension expense is almost half as much as its adjusted operating income. Mr. Litton considers this an anomaly. If it persisted, however, he conceded he would look at it more closely.

Boeing's problem in meeting fund payments is short term, he said. "You are looking at a company whose revenues, if the economy comes back, are going to double" and pension expense will become an insignificant percentage of it.

Boeing's $210 million pension expense was 48.4% of its operating income plus pension expense in 1982. The company's plan, however, is overfunded: assets exceeded liabilities by $689 million in 1982 and amounted to 24.5% of its net worth.

United Technologies Corp., another aerospace company, had much lower pension expense: 18.7% of operating income. Overfunding in its plan closely matched Boeing's at 25.4% of net worth.

Pension expense is below that for other companies, and makes up a minuscule portion of adjusted operating income. Amerada Hess had a $5.7 million pension expense in 1982, less than 1% of adjusted operating income. Standard Oil of Ohio's $86 million pension expense was about 2.3%. Kerr-McGee Corp., also an oil company, had $11.1 million in pension expense in 1982, 2.6% of its adjusted operating income.

Service and food conglomerates, whose workers tend not to be organized, generally also rank among the lowest: Consolidated Foods Corp.'s $28.7 million pension expense is 8.8% of adjusted operating income; General Mills' $39.5 million pension expense, 7.6%; and Pepsico's $44.3 million pension expense, 6.4%.

Characteristically, pension expense in autos and steel fell on the high side, but other depressed companies were on top: Deere & Co. had a $118 million pension expense, 78.4% of adjusted operating income; Chrysler Corp.'s $271.7 million expense, 76%; American Can Co.'s $76.4 million expense, 57.5%; McDonnell Douglas Corp.'s $195.7 million, 45.9%; and U.S. Steel's $307 million expense, 43.2%.

Several analysts pointed out the problem in comparing pension expense with operating income. Although pension expense is steady from one year to the next, operating income jumps around. "Your denominator is distorted," said Mr. Litton, using Boeing as an example. Its pension expense constituted 48.4% of adjusted operating income in 1982, and 30.3% of adjusted operating income in 1981.

International Paper Co. is another example of this phenomenon. Its $29 million pension expense was relatively low, but constituted 136.2% of 1982 operating income.

But when business is down, pension expense can be one more claim on scarce cash and a drag on recovery, said Mr. Driermeyer.

The statistics also indicated a number of trends.

Several companies' vested funding status changed substantially in 1982; most improved. In some cases, this was a result of an increase in the assumed interest rate, which reduced the present value of the liabilities.

Du Pont's improved by $873 million, to $2.876 billion in 1982 from $2.003 billion in 1981. Ford Motor went up $830 million, to $170 million from –$660 million; U.S. Steel improved $716 million, reaching $855 million in 1982; IBM Corp.'s went to $1.642 billion in 1982, from $997 million in 1981; Eastman Kodak Co. improved $619 million.

Some did see big declines. Bethlehem Steel's vested funding status dropped $548 million to –$830 million in 1982 from –$282 million in 1981. General Electric's dropped $616.8 million, to a surplus of $152.2 million in 1982.

The billion-dollar pension plans of many of the older corporations have grown substantially as the companies have grown, and often the plans' assets are a large percentage of corporate assets.

Aerospace companies ranked among those with pension assets rivaling corporate assets. Larry Baker, who follows aerospace companies for E.F. Hutton, explained some have plants that are government owned and aren't included in corporate assets.

Bethlehem Steel's $2.3 billion plan assets equal 50.4% of its $4.6 billion corporate assets; General Dynamics Corp., 49.1% of its $2.6 billion corporate assets; McDonnell Douglas, 43.3% of $4.6 billion assets; General Electric, 40.2% of its $21.6 billion assets; Firestone, 37.5% of its $2.7 billion assets; U.S. Steel, 37.3% of its $19.4 billion assets; and TRW, 36.4% of its $3.1 billion assets. ■

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Pensions &
Investment Age®

The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • August 8, 1983

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P.I.P.E.R.
2nd quarter returns
Charts, stories on page 13

AMAX may get excess with active plan intact

IRS, PBGC at loggerheads on plan

By Nancy Webman and Joel Chernoff

WASHINGTON — Two government agencies are at odds over a new termination approach planned by AMAX Inc. that would allow it to recoup $100 million in excess plan assets without terminating the full plan.

Under the strategy, the Greenwich, Conn., company will spin off its pension fund for salaried workers into two plans — one for active participants and certain former employees and one for retired participants. All of the excess assets will be pumped into the retirees' plan.

After annuities are purchased for the retired lives, the retirees' plan would be terminated and AMAX would capture $100 million to $130 million. The plan for active employees would not be terminated.

However, the Internal Revenue Service and the Pension Benefit Guaranty Corp. are at odds over whether employers may recoup excess pension assets by spinning off a fund. They face a showdown or compromise now that AMAX is pursuing that course.

Although many companies are considering this two-step termination, AMAX's is the first public move. Several other sponsors, however, have chosen to recover excess assets by terminating over-

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New sub for passive

Fouse, 3 others leave Wells Fargo for Mellon

By Steve Hemmerick

SAN FRANCISCO — Bill Fouse, Wells Fargo Investment Advisors Division's chief investment officer, and three other key bank personnel have resigned to open a new subsidiary of Mellon Bank in San Francisco.

The Mellon sub will offer the same passive investment products as Wells Fargo. Some top-level executives in the investment field expect the new subsidiary, Mellon Capital Management Corp., will try to woo Wells Fargo clients.

Bill Joss, manager of the Wells Division, said such an effort might be made, especially as Mr. Fouse and one other executive gave "no notice" and said that to stay any longer at Wells would be a "conflict of interest." Mr. Fouse was named chairman of the new subsidiary.

The moves have caused some Wells Fargo clients concern. Already, a spokesman for the New York City Teachers' Variable Fund said the trustees were "very concerned" about the resignations. The fund has $330 million under management with Wells Fargo.

Along with Mr. Fouse, others resigning are Tom Loeb, formerly core portfolio manager for the division; Polly Shouse, a vice president who had been in charge of a Wells Fargo futures program; and Cary Zellerbach, who had been Wells Fargo's client service officer. Mr. Loeb is president of the new subsidiary.

Mr. Fouse stressed that neither he nor Mr. Loeb nor Mellon Bank had told anyone at Wells Fargo about their planned resignations in late July or their plans to open a new bank subsidiary.

Stressing his words, Mr. Fouse told *Pensions & Investment Age*, "Neither Tom Loeb nor I approached any personnel or any clients (of Wells) prior to our resignations."

Ms. Shouse and Ms. Zellerbach were hired after Messrs. Fouse and Loeb resigned to open the subsidiary, which will open this fall.

But Mr. Joss suspects an effort will be made to take Wells' clients, saying the departures "cut the heart out" of his organization. "We

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Capitol Building, Montgomery: Alabama policy encourages its public funds to invest in the state as long as quality and yields don't suffer

Makes $75 million loan

Alabama fund invests in U.S. Steel project

By Linda Savage Ruhe

MONTGOMERY, Ala. — The $3.2 billion Retirement Systems of Alabama has lent $75 million of the $495 million the United States Steel Corp. needs for construction at its plant in Fairfield, Ala.

Twenty-nine insurance companies reportedly have supplied the rest of the money for the project from their general accounts and commingled funds.

They include Metropolitan Life Insurance Co., New York for $100 million; Equitable Life Assurance Society of the United States, New York and New York Life Insurance Co., New York, each for $50 million; and John Hancock Mutual Life Insurance Co., Boston and CIGNA Corp., Hartford, Conn., each for $25 million. Twenty-four others are reported to have invested amounts ranging from $2

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$500 million contribution is planned by Chrysler

Seeks to reduce unfunded liabilities with added payment

By Pavan Sahgal

NEW YORK — The Chrysler Corp. may contribute as much as $500 million to its $1.9 billion pension fund next year.

The company expects to move to close the shortfall in its $1.3 billion of accrued but unfunded pension liabilities with a $250 million catch-up payment in 1984 in addition to its normal $250 million contribution.

"Next year we are going to be making a catch-up payment of not only the normal quarter-billion that we make to keep up with the benefits, but we'll make an extra quarter-billion payment to close that gap," Robert S. Miller Jr., executive vice president finance, said in an interview.

Mr. Miller said the company has more than one retiree per active worker, with the ratio of active workers to retirees being about 1:1.1.

Chrysler has 87,000 people on direct payroll.

"When a worker goes home and feels tired, he ought to. He has had to generate the value to support two families," Mr. Miller observed.

Reflecting on the Chrysler experience, Mr. Miller said that while it might be politically appealing to provide more benefits, in time those benefits tend to become entitlements.

"Then, what do you do with a population that is living more years and working fewer hours? How do you economically support it?" he added.

Bridging the shortfall in its pension liabilities may also add to Chrysler's corporate arsenal in other ways, according to one investment manager.

It would not only reduce reported profits and give the company greater leverage in bargaining wage issues with its unions in the new year, but it would also reduce Chrysler's unfunded liability.

Reducing the unfunded pension liability would make Chrysler Corp. a more viable merger or acquisition candidate or joint venture partner. ■

Chrysler plans to diversify— Corporate Finance, page 23

Late news

Rangaire ends plan

CLEBURNE, Texas — Apparently in an attempt to boost its 1983 earnings, Rangaire Corp. terminated its pension plan for nonunion employees and expects to recover about $700,000 in excess assets. The defined benefit plan, which has about $2 million in assets according to the 1983 Money Market Directory, will be replaced with a defined contribution plan.

Allied Corp. drops 5

MORRISTOWN, N.J. — Allied Corp. dropped five investment managers in the process of consolidating the Allied and Bendix pension plans. The number of managers for both plans, which have combined assets of $2.4 billion, was reduced from 18 to 13, confirmed Edward T. Tokar Jr., director-investments. The deletions affected equity managers for both plans, but Mr. Tokar declined to identify the firms.

Fund to be terminated

DETROIT — The Stroh Brewery Co. is terminating its pension fund for salaried workers and plans to recoup about $81 million in excess assets. The plan has about $138.6 million in assets, of which more than 58% will be returned to company coffers, according to documents filed with the PBGC.

Police fund to rehab

NEW YORK — The New York City Police Department pension fund announced plans to invest $50 million — about 2% of its assets — to rehabilitate 5,000 apartments in deteriorating neighborhoods of New York. The investment will be made through mortgages on rundown buildings, with the rate at

Continued on page 2

Robert C. Brown to offer shares

Bull market prods advisers to mull public stock offerings

By Nancy Webman and Scott Barrett

SAN FRANCISCO — Robert C. Brown & Co., a fixed-income manager with about $1.6 billion under management, is going public with about 37% of its shares, a move other managers say they have considered because of the bull market and its appetite for new issues carrying high price tags.

Brown's initial public offering is for 1 million shares, to be offered at $10 to $12 per share. Dean Witter Reynolds is the underwriter.

Bob Brown, chairman and president of the firm, declined to discuss the details because the deal is in registration.

According to the prospectus, $5 million of the money raised from the offering will be used to acquire an insurance company. The balance will increase the equity capital of Pacific Securities, a brokerage and financial futures firm that is a wholly owned subsidiary of Robert C. Brown & Co.

Of the 1 million shares to be sold, 700,000 are being sold by the company and 300,000 are being sold by shareholders. Of the 300,000, two-thirds are being sold by Mr. Brown. After the offering, he will control 37.5% of the company, compared with owning 60.4% before.

Ernest C. Voigt, executive vice president, is selling 80,000 of the shares he owns, which will reduce his stake from 19.9% to 11.8%. The other 10 key staffers own only small interests in the firm.

Mr. Brown stands to earn $2 million to $2.4 million from the sale.

Brown is the second U.S. investment management firm to go public in recent months. In May, Arnold Bernhard sold 19% of his stake in Value Line Inc. in an initial public offering valued at $32.3 million (*Pensions & Investment Age*, May 16).

Several other owners of money management companies say they have toyed with, but rejected for now, the notion of going public.

"When a Value Line goes public or a State Street (Research and Management) gets bought, it makes you think about it," said the founder and owner of a Midwest invest-

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> *"When a Value Line goes public or a State Street gets bought, it makes you think about it"*

Institutional investors stay behind Chrysler's wheel

Despite runup in price, funds aren't rushing for trade-ins

By Linda Savage Ruhe

DETROIT — Institutional investors with large Chrysler holdings are pleased with their holdings.

Despite the dramatic runup in the price of Chrysler stock in the past 12 months — from around $6 a share last summer to a peak around $36 — the institutions have not launched a major profit-taking campaign, although some are trimming their holdings believing they have become overweighted in the stock.

Most, however, seem to be happy with their Chrysler holdings, expecting neither a further dramatic rise nor a precipitous drop in the stock price.

Among the larger institutional investors in the stock are the $1.45 billion Illinois State Universities' Retirement System, Champaign, Ill., which owns 150,000 shares of Chrysler through its investment manager Alliance Capital Management Corp., Chicago; Batterymarch Financial Management, Boston, which holds 1.6 million shares of the stock; Fort Hill Investors Management Corp., Boston, with 100,000 shares of the stock; and Lynch & Mayer Inc., New York, which holds just less than a million shares of the stock.

According to Computer Direction Advisors, Silver Spring, Md., the most recent listing of stocks held by institutions shows 65 institutional investors held 45% of the 74.5 million outstanding shares of Chrysler stock for the quarter ending March 31.

Many of the investment managers trimming their positions were early investors in the stock last summer when its price hovered around $6 and $7 a share. It was when the price peaked at close to $36 share that some decided to take their profits.

The stock is now running at slightly more than $30 a share.

For many of the investors,

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Vol. 11, No. 16— Pensions & Investment Age (ISSN 0273-5405) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Late news

Continued from page 1

0.2% to 1.2% more than the prevailing Ginnie Mae yield.

The mortgages will be originated and sold to the fund by the New York City Community Preservation Corp. Harrison J. Goldin, city comptroller, said the investment will be insured by the State of New York Mortgage Agency or the Federal Housing Administration, and will earn market rates of return.

Stanford appoints 2

STANFORD, Calif. — Stanford University's endowment fund invested $1 million in Bay Partners, a venture capital fund, according to Rodney H. Adams, treasurer. The San Francisco Bay-area partnership invests directly in small company start-ups. Stanford also put $20 million in a commingled international equity fund with The Common Fund, Fairfield, Conn.

Gillette joins Emerson

ST. LOUIS — Robert Gillette, formerly corporate director of pension investments at Bendix Corp., Southfield, Mich., joined Emerson Electric Co., St. Louis, as director of pension management. Mr. Gillette, who joined Emerson July 5, oversees a $353 million master trust.

International move

NEW YORK — International Telephone and Telegraph Corp.'s $1 billion pension fund named its first three specialized international investment managers: Morgan Grenfell Investment Services Ltd., New York; G.T. Capital Management, San Francisco; and Capital Guardian Trust Co., Los Angeles. Each firm will receive $10 million.

Trinity College hires

HARTFORD, Conn. — Trinity College's $65 million endowment fund selected Grantham, Mayo, Van Otterloo & Co., Boston, as its first international manager to run $3 million in foreign equities, according to Robert Pedemonti, treasurer and director of finance.

CD private placement

NEW YORK — A.G. Becker Paribas has made a $50 million private placement of variable-rate certificates of deposit, indexed to the prime rate, and issued by the New York agency of the Fuji Bank, Japan. The offering, maturing in three years, was placed with institutional clients recently.

The new CDs are pegged directly to, and below, the prevailing U.S. prime rate.

Ogden appoints BMI

NEW YORK — Ogden Corp. appointed BMI Capital Corp., New York, to manage an undisclosed portion of its more than $200 million pension fund in small- and medium-capitalization stocks, according to sources. One other manager was hired but not identified.

PRISA returns 3.1%

NEW YORK — Prudential's PRISA picked up $569 million in new contributions in the second quarter of 1983. At the same time, the fund paid out about $200 million to satisfy all outstanding withdrawal requests. PRISA now stands at about $4.4 billion. The fund's return for the second quarter, before management fees, was 3.1%.

Equitable Life also reported returns for its $2.2 billion Account #8 of 3.8% for the second quarter, and 5.9% for the second half of the year.

Personnel changes

• PASADENA, Calif. — Howard B. Schow, chairman of the board of Capital Research and Management Co., has resigned to open his own investment counseling firm.

Joining him as an associate is Pheo Kolokotrones, who had been a senior vice president.

• NEW YORK — James R. McCall, former director of research and portfolio management at Keystone Custodian Funds, joined Lovett, Ward & Bertelsen Investment Management, Boston, as a partner.

• NEW YORK — The Chase Manhattan Bank filled two new positions in its Pension Trust Financial Service Group. Richard T. McSherry is now vice president-account planning/requirements and Douglas R. Young is vice president-marketing/new business.

• BOSTON — Richard T. O'Rourke, senior vice president of First City National Bank, Houston, will join Fidelity Management Trust Co., Boston, as an executive vice president Aug. 15, according to J. Gary Burkhead, president.

Mellon, Wachovia

State line no barrier to lockbox services

By Richard J. Gillespie

PITTSBURGH — Two cash management banks, Mellon Bank and Wachovia Bank & Trust, have made the leap across state lines to extend their lockbox activities.

Cash management

While legislators in Washington debate the introduction of interstate banking, Mellon announced it would extend its lockbox activities to seven additional states in an arrangement with Sears, Roebuck & Co.

The Pittsburgh bank already had made public an intention to open a lockbox facility in Chicago, so it now has nine lockbox locations, the most of any bank in the country, according to a spokesman.

Wachovia Bank & Trust made the jump from its base in Winston-Salem, N.C., announcing it will set up a second lockbox collection point for its corporate clients in Atlanta.

That puts Wachovia in direct conflict with major Atlanta cash management banks like Citizens and Southern National Bank in Atlanta and First National Bank of Atlanta.

These latest moves underline the fierceness of competition to win corporate cash management relationships. Dick Poje, president of consultants Phoenix-Hecht, also sees that rivalry in the aggressive pricing of bank consulting studies.

Mr. Poje said he had seen bids of $4,000 put out by banks on cash management consulting studies in which the man-hours alone would cost $40,000.

But in the collections area, where lockboxes are the primary cash management tool, banks have fastened onto multiple lockbox loca-

Continued on page 64

p.i.p.e.r.

Top performers for equity fixed-income funds in quarter

Fixed-income portfolios lack sparkle in 2nd quarter

By Kimberly Blanton

CHICAGO — Banks and insurance companies reported lackluster second-quarter fixed-income returns, according to Pensions & Investments' Performance Evaluation Report.

The median return dropped to 1.5% in the second quarter from 3.1% in the first.

P.I.P.E.R. covers the returns of 228 banks' and insurance companies' pooled fixed-income portfolios.

The P.I.P.E.R. median fell between the other indexes, which also reflected a second-quarter drop. The Salomon Bros. High Grade Bond index dropped to 1.3% from 3.7% in the first quarter; Lehman Bros. Kuhn Loeb Government/Corporate Bond index dropped to 1.6% from 3.1%.

First of Shreveport, Louisiana, came in first during the second quarter, with a return of 3.5%. It was followed by Merchants National Bank of Mobile, Alabama, and Ohio Citizens Trust Co., Toledo, both with 3.4%; Merchants National Bank of Cedar Rapids, Iowa, 3.3%; Central Fidelity Bank, Lynchburg, Va., 3.1%; and First Wisconsin National Bank of Madison, and Key Trust Co., Albany, N.Y., both with 3%.

For the one-year period ending June 30, First Wisconsin National Bank came in first, with a 44.3% return. It was followed by United Bank of Denver, with 40%; Central National Bank of Cleveland with 39.6%; AmSouth, with 39.1%; and First Variable Life, with 38.5%.

Northern Central Bank, Williamsburg, Pa., had the highest return for the three-year period, with a 17.4% annualized return. Next were First and Merchants, Richmond, Va., at 16.6%; Fourth National Bank and Trust Co., Wichita, Kan., 16.2%; and Cullen Center Bank Trust, Houston, 16.2%.

Fourth National Bank, Wichita, had the highest five-year return, with 13.9% annualized. It was followed by First and Merchants, Richmond, 13.2%; Seattle-First National Bank, 12.7%; Hibernia National Bank, New

Continued on page 19

Equity holdings spotlighted as 2 funds exceed 25%

CHICAGO — The top bank and insurance company equity funds reported on in Pensions & Investments' Performance Evaluation Report have been reaping record returns from their investments.

Of the 256 equity funds reported on for the quarter ending June 30, the top five funds had returns ranging from 29.4% to 19.6%. These compare with the top five returns for the first quarter, which ranged from 18.2% to 17.2%.

Manufacturers Life Insurance Co., Toronto, led the quarterly returns with 29.4%.

Manufacturers Life also held the top spot for the other periods reported on with a return of 160% for the year ending June 30; 49.6% annualized for the three-year period; 38.9% annualized for five years; and 26.3% annualized for 10 years.

Manufacturers Life is a newcomer to the equity commingled fund rankings. In the past, the equity fund had been listed erroneously under the Canadian-fund section of P.I.P.E.R. to include the fund's returns with U.S. equity commingled funds because its characteristics better fit the criteria used in that section.

Besides Manufacturers Life, the top performers for the quarter included Citizens Trust Co., Madison, Wis., in second place with a return of 26.2%; California First Bank, San Diego, 20.4%; Security Pacific National Bank, Los Angeles, 19.6%; and Hospital Trust Investors, Providence, R.I., 19.6%.

For the year ending June 30, 1983, Manufacturers Life returned 160%. Security Pacific ranked second with an annual return of 118.9% and Citizens Trust Co. ranked third with 111.5%.

First Variable Life Insurance Co., Little Rock, Ark., whose quarterly rankings placed it 33rd, found itself in fourth place for the year with an annualized return of 101.6%

For the three-year period ending June 30, Citizens Trust again was among the top funds, coming in second with a return of 38.2%. Employers Insurance of Wausau, Wis., ranked third at 36.2%; First National Bank

Continued on page 19

Manufacturers Life

Insurer's strategy places it at the top

By Linda Savage Ruhe

TORONTO — Manufacturers Life Insurance Co., Toronto, has topped the pooled equity fund charts for all the periods recorded in Pensions & Investments' Performance Evaluation Report.

Its $6 million fund uses a strategy that allows it to move quickly to take advantage of opportunities in the market. The firm also has had good returns with its other, larger, pooled funds.

The firm doesn't have an in-house research department, so it has cultivated analysts from regional brokerage houses primarily in the Midwest, South and West Coast to inform it of hot stocks.

"They know that we are prepared to buy and sell quickly and therefore are diligent about informing us about good buys," explained Donald Parkinson, vice president in charge of North American equity and segregated funds.

In selecting stocks, the insurance company looks for those stocks that have a minimum downside risk of 10% to 15%, but at the same time have a potential during the next year of moving up between 50% to 100% in a bull market.

The portfolio managers use a combination of fundamental evaluation and technical analysis to project the potential of the stocks in the fund. Factors such as price-earnings and price-to-book ratios are looked at.

The $6 million equity fund, which has been in existence for 15 years, includes assets from six institutional clients with investments ranging from $250,000 to $2 million. These are all U.S clients and the fund is invested entirely in U.S. equities.

As reported in the most recent P.I.P.E.R. statistics, the $6 million fund for the quarter ending June 30 had a return of 29.4%; for the year, a return of 160%; on an annualized basis for three years, 49.6%; five years, 38.9%; and 10 years, 26.3%.

The fund is only a small part of the $700 million in assets the Toronto-based insurance company manages for roughly 300 U.S. and Canadian companies looking to invest in the U.S. equity market.

The firm's larger fund, called the American Stock Fund, has $40 million in assets from Canadian pension funds that are interested in investing in U.S. equities. Canadian companies are permitted to invest up to 10% of their assets outside Canada. Some investors in this fund include the Canadian operations for Union Carbide, GTE and Ford Motor.

Returns for this fund for the most recent quarter were 15.39%; for the year, 89.6%.

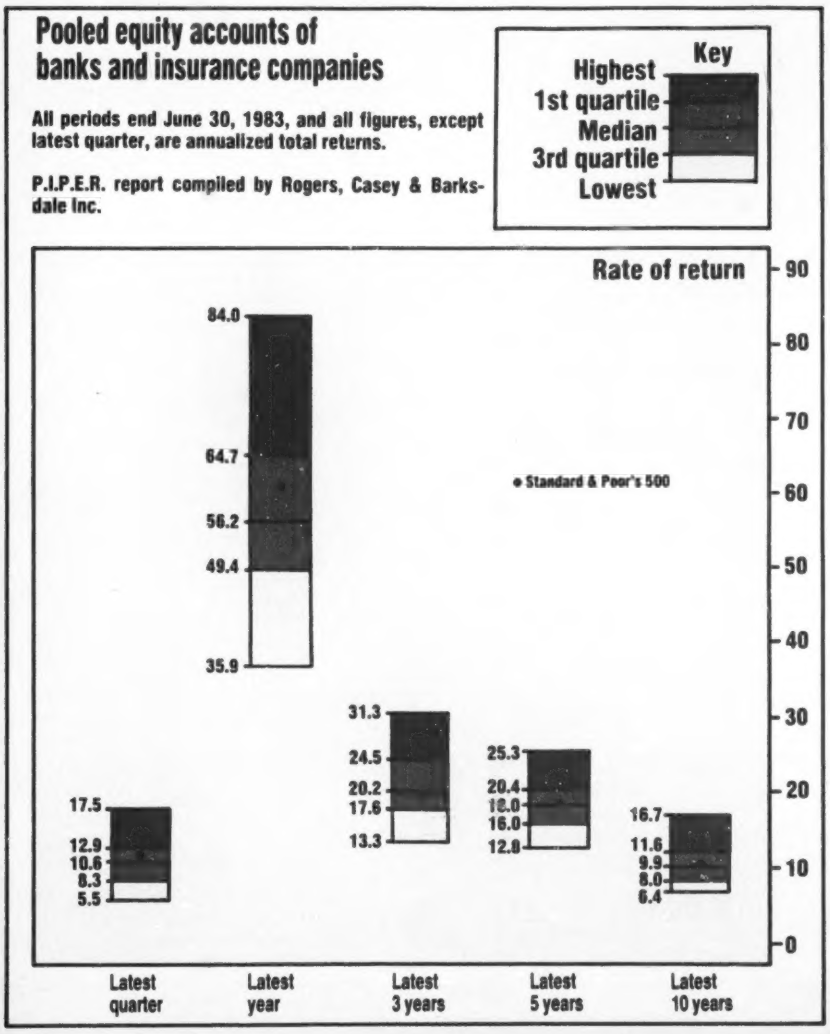
The rest of the assets represent general assets of the insurance

Continued on page 18

Pooled equity accounts of banks and insurance companies

All periods end June 30, 1983, and all figures, except latest quarter, are annualized total returns.

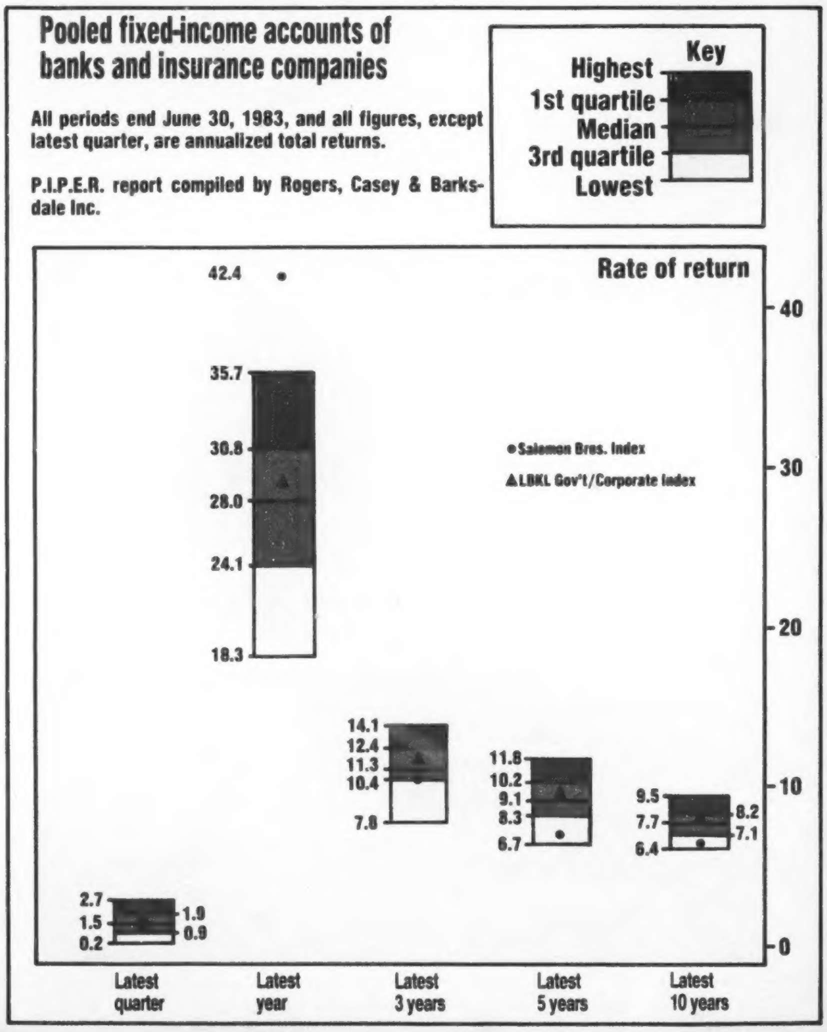
P.I.P.E.R. report compiled by Rogers, Casey & Barksdale Inc.



Pooled fixed-income accounts of banks and insurance companies

All periods end June 30, 1983, and all figures, except latest quarter, are annualized total returns.

P.I.P.E.R. report compiled by Rogers, Casey & Barksdale Inc.



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Thorndike, Doran, Paine & Lewis

Top quartile commingled equity funds

3-month returns

	%
Manufacturers Life, Ont.	29.4
Citizens Trust Co., Wis.	26.2
California First Bank	20.4
Security Pacific, Calif.	19.6
HT Investors Inc., R.I.	19.6
Merchants Natl., Ind.	19.3
First Wisconsin National	19.3
Omaha National Bank	19.0
First Bank Milwaukee	18.9
Heritage Trust, Wis.	18.2
Bank One Trust, Ohio	18.2
Central Bank Denver	18.2
Guardian Insurance, N.Y.	17.6
First of Pa., Erie	17.5
Philadelphia Life, Pa.	17.3
First Wisconsin Trust	17.2
Merchants Natl., Ala.	17.1
Capital Bank, Houston	17.0
Employers Life of Wausau	17.0
Huntington Banks, Ohio	16.7
Marquette National, Minn.	16.4
Bank of Southwest, Texas	16.4
First of Oklahoma	16.3
Union Natl., Wichita	16.0
Seattle Trust, Wash.	15.9
American Security, D.C.	15.5
Intrawest, Colo.	15.2
First Trust, St. Paul, Minn.	15.1
Sun Bank, Fla.	15.1
St. Louis County Bank	15.1
Natl. of Commerce, San Antonio	15.1
IAA Trust Co., Ill.	15.0
First Variable Life, Ark.	15.0
Marine Midland, N.Y.	14.9
Texas Commerce, Houston	14.9
Resource Bank & Trust, Minn.	14.8
Crocker National, Calif.	14.7
Philadelphia Natl., Pa.	14.7
Bank of America, Calif.	14.5
Life of Virginia	14.3
First City Natl., Houston	14.2
Connecticut Mutual Life	14.2
Mutual Benefit, N.J.	14.1
Citibank, N.Y.	14.1
First Natl. of Commerce, La.	14.1
Old National, Wash.	14.0
Northern Trust, Ill.	14.0
Marine Trust, Wis.	14.0
Pioneer Bank, Ill.	13.8
Hibernia National, La.	13.8
First of Fort Worth	13.7
Morgan Guaranty (Med.), N.Y.	13.6
Shawmut of Boston, Mass.	13.6
Planters National, N.C.	13.5
Provident National, Pa.	13.5
Union Central, Ohio	13.5
Cigna Corp., Conn.	13.5
American Natl., (Active), Chic.	13.4
Key Trust Co., N.Y.	13.2
AmSouth, Ala.	13.2
Liberty National, Okla.	13.1
United of Denver	13.1
First Kentucky Trust	13.0
Manufacturers Hanover, N.Y.	12.9
Chase Manhattan, N.Y.	12.9
CNA Insurance, Ill.	12.9
Aetna Life & Casualty, Conn.	12.9
Standard & Poor's 500	11.1

One-year returns

	%
Manufacturers Life, Ont.	160.0
Security Pacific, Calif.	118.9
Citizens Trust Co., Wis.	111.5
First Variable Life, Ark.	101.6
Huntington Banks, Ohio	93.7
California First Bank	93.7
Merchants Natl., Ala.	91.5
First Bank Milwaukee	91.2
First Wisconsin National	88.8
Citizens Chillicothe, Mo.	85.7
Intrawest, Colo.	85.2
Bank One Trust, Ohio	84.4
Seattle Trust, Wash.	83.7
United of Denver, Colo.	83.6
Merchants Natl., Ind.	82.7
Connecticut Mutual Life	82.0
First Union Bank, N.C.	81.4
Mutual Benefit, N.J.	80.7
Employers Life of Wausau	80.6
Sun Bank, Fla.	79.7
Equitable Trust, Md.	79.1
HT Investors Inc., R.I.	78.7
AmSouth, Ala.	78.5
First Wisconsin Trust	78.2
American Security, D.C.	78.0
Central Bank Denver	77.0
Bankers Life, Iowa	76.9
Northern Trust, Ill.	76.3
First of Oklahoma	75.8
Guardian Insurance, N.Y.	75.8
Omaha Natl. Bank, Neb.	75.7
Marine Midland, N.Y.	75.3
Chase Manhattan, N.Y.	75.1
US Natl. of Oregon	74.2
Citibank, N.Y.	73.7
Philadelphia Life, Pa.	73.4
Pioneer Bank, Ill.	73.0
Aetna Life & Casualty, Conn.	72.8
Texas Commerce	72.3
Cigna Corp., Conn.	72.0
Philadelphia Natl., Pa.	71.9
Marine Trust, Wis.	71.7
Fidelity Mgmt. Trust, Mass.	71.5
First Trust Corp., Colo.	70.5
Equitable Life (No. 4)	70.3
Provident National, Pa.	70.0
IAA Trust Co., Ill.	69.7
New England Mutual	69.4
Boatmen's Natl., Mo.	69.1
First City Natl., Houston	69.1
Morgan Guaranty (Med.), N.Y.	69.1
First Trust, St. Paul	68.1
Gary-Wheaton Bank, Ill.	67.8
First of Chicago	67.5
Rainier National, Wash.	67.0
Mercantile at Dallas	66.8
Minnesota Mutual	66.7
Lake Shore Natl., Ill.	66.5
State Street Bank, Mass.	66.4
Summit & Elizabeth, N.J.	66.1
Bank of Southwest, Texas	65.7
Planters Natl., N.C.	65.4
Resource Bank & Trust, Minn.	65.2
Fidelity Union, N.J.	65.0
Bessemer Trust, N.Y.	64.7
Crocker Natl., Calif.	64.7
Standard & Poor's 500	61.4

Three-year returns

	%
Manufacturers Life, Ont.	49.6
Citizens Trust Co., Wis.	38.2
Employers Life of Wausau	36.2
First of Oklahoma	35.2
California First Bank	34.2
Intrawest, Colo.	33.9
First Variable Life, Ark.	33.8
United of Denver	33.2
AmSouth, Ala.	31.9
First Union Bank, N.C.	31.5
First Wisconsin Natl.	31.3
Huntington Banks, Ohio	31.3
First Bank Milwaukee	31.1
Citizens Chillicothe, Mo.	30.4
Marine Trust, Wis.	30.3
Connecticut Mutual Life	30.1
Bank One Trust, Ohio	30.0
Sun Bank, Fla.	30.0
IAA Trust Co., Ill.	29.1
Omaha Natl. Bank, Neb.	29.1
Philadelphia Life, Pa.	28.9
Philadelphia Natl., Pa.	28.8
US Natl. of Oregon	28.6
Mercantile at Dallas	28.4
Seattle Trust, Wash.	28.1
First Interstate of Nev.	27.9
Sentry Life, Wis.	27.9
Lake Shore Natl., Ill.	27.8
Mutual Benefit, N.J.	27.6
Home Life, N.Y.	27.5
First Wisconsin Trust	27.4
Provident National, Pa.	27.3
Manufacturers Detroit	27.1
Equitable Life (No. 4)	26.9
HT Investors Inc., R.I.	26.9
American Natl. (Active), Chic.	26.7
Northern Trust, Ill.	26.5
First City Natl., Houston	26.4
Merchants Natl., Ind.	26.3
Guardian Insurance, N.Y.	26.3
State Street Bank, Mass.	26.2
Planters National, N.C.	26.1
First Tennessee, Chat.	26.1
Heritage Trust, Wis.	26.0
First Trust Corp., Colo.	25.9
Texas Commerce, Houston	25.8
Chase Manhattan, N.Y.	25.7
Aetna Life & Casualty, Conn.	25.7
Natl. of Commerce, Nebr.	25.6
American Security, D.C.	25.6
US Natl. of Galveston	25.4

PENSION FUND MANAGERS

Look At The Numbers:

Percentage Appreciation 6/30/80 – 6/30/83

Dow Jones Industrial Average	Standard & Poors Five-Hundred	Connecticut Mutual's Common Stock Fund
up 67.6%	up 72.7%	up 117.8%*

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Top equity funds by size

1-year returns

Over $100 million

	%
Intrawest, Colo.	85.2
Mutual Benefit, N.J.	80.7
Bankers Life, Iowa	76.9
Chase Manhattan, N.Y.	75.1
US Natl. of Oregon	74.2
Citibank, N.Y.	73.7
Cigna Corp., Conn.	72.0
Philadelphia Natl., Pa.	71.9
Fidelity Mgmt. Trust, Mass.	71.5
Equitable Life (No. 4)	70.3

$50 million to $100 million

	%
Security Pacific, Calif.	118.9
AmSouth, Ala.	78.5
Northern Trust, Ill.	76.3
New England Mutual, Mass.	69.4
First City Natl., Houston	69.1
First Trust St. Paul	68.1
First of Chicago	67.5
Minnesota Mutual	66.7
Bessemer Trust, N.Y.	64.7
John Hancock (Alpha Plus)	63.4

$10 million to $50 million

	%
Citizens Trust Co., Wis.	111.5
California First Bank	93.7
First Bank Milwaukee	91.2
First Wis. National	88.8
Citizens Chillicothe, Mo.	85.7
Bank One Trust, Ohio	84.4
Seattle Trust, Wash.	83.7
United of Denver	83.6
Merchants Natl., Ind.	82.7
First Union Bank, N.C.	81.4

Under $10 million

	%
Manufacturers Life, Ont.	160.0
Huntington Banks, Ohio	93.7
Merchants Natl., Ala.	91.5
Connecticut Mutual Life	82.0
Pioneer Bank, Ill.	73.0
IAA Trust Co., Ill.	69.7
Boatmen's Natl., Mo.	69.1
Gary-Wheaton Bank, Ill.	67.8
Lake Shore Natl., Ill.	66.5
Bank of Southwest, Texas	65.7

10-year returns

Over $100 million

	%
Bankers Life, Iowa	16.6
US Natl. of Oregon	16.0
Intrawest, Colo.	14.1
Equitable Life (No. 4)	13.7
Mercantile at Dallas	13.1
Massachusetts Mutual	13.0
Provident National, Pa.	12.5
Cigna Corp., Conn.	12.4
Life of Virginia	11.7
Travelers, Conn.	11.3

$50 million to $100 million

	%
AmSouth, Ala.	17.3
Bessemer Trust, N.Y.	16.4
Hibernia National, La.	13.6
Minnesota Mutual	13.2
First of America, Mich.	12.5
First Pennsylvania Bank	11.7
Sentry Life, Wis.	11.5
First City Natl., Houston	11.3
Manufacturers Detroit	10.9
New England Mutual	10.0

$10 million to $50 million

	%
Citizens Chillicothe, Mo.	21.5
First Wis. National	20.7
Guardian Insurance, N.Y.	20.4
Philadelphia Life, Pa.	19.4
Employers Life of Wausau	18.0
First Trust Corp., Colo.	17.2
US Natl. of Galveston	17.0
Home Life, N.Y.	15.0
First of Oklahoma	13.9
Liberty Natl., Okla.	13.7

Under $10 million

	%
Manufacturers Life, Ont.	26.3
Confederation Life, Ont.	15.0
Capital Bank, Houston	14.9
First of Kenosha	13.4
Wheeling Dollar Bank	13.1
Pittsburgh Natl. (QMS)	12.6
First Natl. of Commerce, La.	12.6
Olympic Bank, Wash.	12.4
Provident Mutual, Pa.	11.8
Marquette Natl., Minn.	11.7

Girard Bank, Pa.	25.3
New England Mutual	25.3
Bank of Southwest, Texas	25.2
Society Natl., Ohio	25.1
Massachusetts Mutual	25.0
Central Bank Denver	24.9
Wheeling Dollar Bank, W. Va.	24.9
Genesee Merchants, Mich.	24.8
Confederation Life, Ont.	24.7
Rainier National, Wash.	24.7
Gary-Wheaton Bank, Ill.	24.6
Pioneer Bank, Ill.	24.6
Standard & Poor's 500	**19.9**

Five-year returns

	%
Manufacturers Life, Ont.	38.9
Intrawest, Colo.	31.2
Employers Life of Wausau	30.6
Citizens Chillicothe, Mo.	29.3
Philadelphia Life, Pa.	28.7
Bessemer Trust, N.Y.	27.0
First of Oklahoma	26.4
US Natl. of Oregon	26.3
Home Life, N.Y.	25.8
First Interstate of Nev.	25.6
Equitable Life (No. 4)	25.4
Mercantile at Dallas	25.3
United of Denver	25.3
First Union Bank, N.C.	25.2
First Wisconsin National	25.2
Omaha Natl. Bank	25.1
Philadelphia Natl., Pa.	24.6
Capital Bank, Houston	24.5
Natl. of Commerce, Nebr.	24.4
Marine Trust, Wis.	24.4
First Trust Corp., Colo.	23.9
Huntington Banks, Ohio	23.7
Texas Commerce Bank	23.3
AmSouth, Ala.	23.1
California First Bank	23.0
Cigna Corp., Conn.	22.8
Confederation Life, Ont.	22.8
First Bank Milwaukee	22.6
Guardian Insurance, N.Y.	22.6
Wheeling Dollar Bank, W. Va.	22.4
IAA Trust Co., Ill.	22.4
HT Investors Inc., R.I.	22.3
Aetna Life & Casualty, Conn.	22.2
Northern Trust, Ill.	22.2
Rainier National, Wash.	22.2
Sentry Life, Wis.	22.1
Girard Bank, Pa.	22.1
First Variable Life, Ark.	21.9
First City Natl., Houston	21.9
First Natl. of Commerce, La.	21.8
Chase Manhattan, N.Y.	21.8
Citibank, N.Y.	21.8
Equitable Trust, Md.	21.8
Provident National, Pa.	21.8
Bank One Trust, Ohio	21.7
Lake Shore Natl., Ill.	21.6
Sun Bank, Fla.	21.5
State Mutual Life, Mass.	21.4
American Security, D.C.	21.4
Commonwealth Natl., Pa.	21.3
Mid-State Bancorp., Pa.	21.1
First of Fort Worth	21.1
Planters National, N.C.	21.1
Natl. of Com., San Antonio	21.1
Bankers Life, Iowa	21.1
US Natl. of Galveston	20.9
Genesee Merchants, Mich.	20.9
First Wisconsin Trust	20.5
New England Mutual	20.5
Continental Bank, Pa.	20.5
Fifth Third Bank, Ohio	20.4
Standard & Poor's 500	**18.1**

Ten-year returns

	%
Manufacturers Life, Ont.	26.3
Citizens Chillicothe, Mo.	21.5
First Wisconsin National	20.7
Guardian Insurance, N.Y.	20.4
Philadelphia Life, Pa.	19.4
First Variable Life, Ark.	19.1
Employers Life of Wausau	18.0
AmSouth, Ala.	17.3
First Trust Corp., Colo.	17.2
US Natl. of Galveston	17.0
Bankers Life, Iowa	16.6
Bessemer Trust, N.Y.	16.4
US Natl. of Oregon	16.0
Confederation Life, Ont.	15.0
Home Life, N.Y.	15.0
Capital Bank, Houston	14.9
Intrawest, Colo.	14.1
Aetna Life & Casualty, Conn.	14.1
First of Oklahoma	13.9
Equitable Life (No. 4)	13.7
Liberty National, Okla.	13.7
Hibernia National, La.	13.6
First of Kenosha, Wis.	13.4
Minnesota Mutual	13.2
Landmark Union Trust, Fla.	13.2
Wheeling Dollar Bank, W. Va.	13.1
Mercantile at Dallas	13.1
Massachusetts Mutual	13.0
Genesee Merchants, Mich.	12.5
United of Denver	12.9
Fifth Third Bank, Ohio	12.8
Pittsburgh Natl. (QMS)	12.6
First Interstate of Wash.	12.6
Heritage Trust, Wis.	12.6
First Natl. of Commerce, La.	12.6
Provident National, Pa.	12.5
First of America, Mich.	12.5
Olympic Bank, Wash.	12.4
Cigna Corp., Conn.	12.4
Moline National, Ill.	12.3
Colorado National Bank	12.0
Provident Mutual, Pa.	11.8
Crown Life, Ont.	11.7
Marquette National, Minn.	11.7
Life of Virginia	11.7
Seattle Trust, Wash.	11.7
First Pennsylvania Bank	11.7
Texas American Bank	11.6
First Jersey National, N.J.	11.6
First Tennessee, Chat.	11.6
Standard & Poor's 500	**10.1**

Top quartile commingled fixed-income funds

3-month returns

	%
First of Shreveport, La.	3.5
Merchants Natl., Ala.	3.4
Ohio Citizens Trust	3.4
Merchants National, Iowa	3.3
Central Fid., Lynchburg, Va.	3.1
First Wisconsin National	3.0
Key Trust Co., N.Y.	3.0
First Variable Life, Ark.	3.0
Riggs of Washington	2.8
Society National, Ohio	2.8
Valley National, Ariz.	2.8
First Natl., Jackson, Miss.	2.7
Security Pacific, Calif.	2.6
Mutual of N.Y.	2.6
Ouachita National, La.	2.6
Marquette Natl., Minn.	2.5
Texas American Bank	2.4
First Citizens, N.C.	2.4
First Interstate of Nevada	2.3
Citibank, N.Y.	2.3
California First Bank	2.3
Maryland National	2.3
Morgan Guaranty, N.Y. (Med.)	2.3
Peoples Trust, Ind.	2.3
First of Grand Island, Neb.	2.3
Lincoln National, Ind.	2.3
First of Warsaw, Ind.	2.3
City Trust, N.J.	2.2
Lake Shore National, Ill.	2.2
Marine Trust, Wis.	2.2
Citizens & Southern, Ga.	2.2
Continental Illinois	2.2
Liberty National, Okla.	2.2
Security Trust, Rochester, N.Y.	2.2
Equitable Trust, Md.	2.1
First Natl., Lincoln, Neb.	2.1
Gary-Wheaton Bank, Ill.	2.1
Fidelity National, La.	2.1
Indiana National Bank	2.1
Moline National, Ill.	2.1
Crown Life, Ont.	2.1
Beverly Bank, Ill.	2.1
Genesee Merchants, Mich.	2.1
State Street Bank, Mass.	2.1
First of Neenah, Wis.	2.0
Natl. of Georgia	2.0
Fourth Natl., Tulsa, Okla.	2.0
First of Bartlesville, Okla.	2.0
Security-Peoples Trust, Pa.	2.0
Mid-State Bancorp., Pa.	2.0
Marine Midland, N.Y.	2.0
First of Mobile, Ala.	2.0
Bank of Oklahoma	2.0
Cullen Bank, Texas	2.0
Fleet National Bank, R.I.	1.9
Huntington Banks, Ohio	1.9
Landmark Union Trust, Fla.	1.9
First Wisconsin Trust (Int. Mat.)	1.9
Omaha Natl. Bank, Neb.	1.9
First of Elgin, Ill.	1.9
Olympic Bank, Wash.	1.9
First of Elgin, Ill.	1.9
Olympic Bank, Wash.	1.9
Old National, Wash.	1.9
Old Kent, Mich.	1.9
First American, Tenn.	1.9
Michigan Natl. of Detroit	1.9
Equibank, Pa.	1.9
Toledo Trust, Ohio	1.9
Puget Sound Natl., Wash.	1.9
Salomon Bros. Index	**1.3**
LBKL Index	**1.6**

One-year returns

	%
First Wisconsin National	44.3
United of Denver, Colo.	40.0
Central Natl., Cleveland	39.6
AmSouth, Ala.	39.1
First Variable Life, Ark.	38.5
Cigna Corp., Conn.	37.9
Wheeling Dollar Bank, W. Va.	37.9
Citibank, N.Y.	36.7
Trust SVCS of Amer., Calif.	36.6
Society National, Ohio	36.2
Centerre Trust, Mo.	36.2
Commonwealth Natl., Pa.	35.8
First Kentucky Trust	35.7
Intrawest, Colo.	35.3
Union Planters, Tenn.	35.3
Colorado National Bank	35.3
Wachovia Bank, N.C.	35.1
Key Trust Co., N.Y.	35.0
Texas Commerce, Houston	34.8
Natl. of Commerce, Nebr.	34.7
American Security, D.C.	34.6
Ohio Citizens Trust	34.4
State Mutual Life, Mass.	34.3
American National, Minn.	34.1
John Hancock	34.1
Lincoln National, Ind.	34.0
First of Chicago	33.7
Liberty Natl., Okla.	33.[illegible]
Allied Bank, Texas	33.3
Marine Midland, N.Y.	33.1
Mutual of N.Y.	33.0
Peoples Trust, Ind.	33.0
Colonial Am. Natl., Va.	32.9
Irving Trust, N.Y.	32.8
Hawaiian Trust	32.7
Bankers Trust A, N.Y.	32.6
Bank of California	32.4
Confederation Life, Ont.	32.4
Security-Peoples Trust, Pa.	32.3
Connecticut Natl. Bank	32.2
Natl. of Commerce, Tenn.	32.0
New England Mutual	31.9
American Natl. Austin	31.9
Pioneer Bank, Ill.	31.7
First of Shreveport, La.	31.6
State Street Bank, Mass.	31.5
Fleet Natl. Bank, R.I.	31.5
Central Fid.-Lynchburg, Va.	31.5
First of Allentown, Pa.	31.4
Chase Manhattan, N.Y.	31.3
Minnesota Mutual	31.2
Mercantile Trust, Mo.	31.2
Security Pacific, Calif.	31.1
First Tennessee, Memphis	31.0
Girard Bank, Pa.	31.0
Citizens Fidelity, Ky.	30.9
Crocker National, Calif.	30.9
Texas American Bank	30.9
Manufacturers & Trader, N.Y.	30.8
Morgan Guaranty (Med.), N.Y.	30.8
Salomon Bros. Index	**42.4**
LBKL Index	**29.1**

Three-year returns

	%
Northern Central, Pa.	17.4
First Merch., Richmond, Va.	16.6
Fourth Natl., Wichita	16.2
Cullen Bank, Texas	16.2
Manufacturers Hanover, N.Y.	15.1
First Kentucky Trust	14.7
Allied Bank, Texas	14.7
Security-Peoples Tr., Pa.	14.6
Marine Midland, N.Y.	14.4
Centerre Trust, Mo	14.4
American Natl., Austin	14.2
American Security, D.C.	14.0
Jefferson Trust, Ill.	14.0
Beverly Bank, Ill.	14.0
First Jersey Natl., N.J	13.9
Union Planters, Tenn.	13.9
Fidelity Union (Int.), N.J.	13.8
Marine Trust, Wis.	13.8
Mercantile Trust, Mo.	13.8
Bankers Trust A, N.Y.	13.7
First Variable Life, Ark.	13.7
Riggs of Washington	13.7
First Valley Bank, Pa.	13.6
Winters Natl., Ohio	13.6
Texas Commerce	13.5
Landmark Union Trust, Fla.	13.4
First Interstate of Calif.	13.4
Bank of New England	13.4
Crocker National, Calif.	13.4
Ohio Citizens Trust	13.3
Girard Bank, Pa.	13.3
First Natl. of Commerce, La.	13.2
Texas American Bank	13.2
First of Warsaw, Ind.	13.1
First of Allentown, Pa.	13.0
Shawmut of Boston (Int.)	13.0
First of Grand Island, Neb.	13.0
American Natl., Chicago	12.9
Hibernia National, La.	12.9
Intrawest, Colo.	12.8
Seattle 1st Natl., Wash.	12.8
First of Maryland	12.8
Mutual of N.Y.	12.7
First of Neenah, Wis.	12.7
First of Kansas City	12.7
Key Trust Co., N.Y.	12.6
Central Trust, Ohio	12.6
Boatmen's Natl., Mo.	12.6
Connecticut National Bank	12.6
Mid-State Bancorp. Pa.	12.6
First of Pa., Erie	12.6

Top fixed funds by size

1-year returns

Over $100 million

	%
Cigna Corp., Conn.	37.9
Citibank, N.Y.	36.7
Centerre Trust, Mo.	36.2
Wachovia Bank, N.C.	35.1
American Security, D.C.	34.6
John Hancock	34.1
First of Chicago, Ill.	33.7
Chase Manhattan, N.Y.	31.3
Man. Hanover, N.Y.	29.3
Natl. Bank of Detroit	29.0

$50 million to $100 million

	%
Intrawest, Colo.	35.3
Marine Midland, N.Y.	33.1
Irving Trust, N.Y.	32.8
Bankers Trust A, N.Y.	32.6
Girard Bank, Pa.	31.0
Boatmen's National, Mo.	29.8
Hibernia National, La.	29.5
Northern Trust, Ill.	28.4
Travelers, Conn.	26.0
Fourth Natl, Wichita, Kan.	25.6

$10 million to $50 million

	%
First Wis. Natl., Madison	44.3
United of Denver, Colo.	40.0
Central Natl. Cleveland	39.6
AmSouth, Ala.	39.1
Trust SVCS of Amer., Calif.	36.6
Commonwealth Natl. Pa.	35.8
First Kentucky Trust	35.7
Colorado Natl. Bank	35.3
Natl. of Commerce, Nebr.	34.7
State Mutual Life, Mass.	34.3

Under $10 million

	%
First Variable Life, Ark.	38.5
Wheeling Dollar Bank	37.9
Society Natl., Ohio	36.2
Union Planters, Tenn.	35.3
Key Trust Co., N.Y.	35.0
Ohio Citizens Trust	34.4
Lincoln Natl., Ind.	34.0
Allied Bank, Texas	33.3
Peoples Trust, Ind.	33.0
Colonial Am. Natl., Va.	32.9

10-year returns

Over $100 million

	%
Manufacturers Hanover, N.Y.	9.5
Centerre Trust, Mo.	9.4
US Trust, N.Y.	9.4
Cigna Corp., Conn.	9.3
Wachovia Bank. N.C.	8.3
Citibank, N.Y.	8.1
Comerica Bank, Mich.	8.0
John Hancock	8.0
Natl. Bank of Detroit	7.8
First of Chicago	7.7

$50 million to $100 million

	%
Hibernia National, La.	10.5
Fourth Natl., Wichita, Kan.	10.2
Fidelity Bank, Pa.	9.8
Bankers Trust B, N.Y.	9.1
North Carolina Natl. Bank	8.3
Bankers Trust A, N.Y.	8.3
Irving Trust, N.Y.	8.1
Northern Trust, Ill.	7.9
First Pennsylvania Bank	7.9
First Union Bank, N.C.	7.8

$10 million to $50 million

	%
Jefferson Trust, Ill.	10.1
First Merch., Richmond, Va.	9.9
Seattle 1st Natl., Wash.	9.9
First Jersey Natl., N.J.	9.1
Mercantile Trust, Mo.	9.0
First Interstate of Calif.	8.9
First Wis. National	8.8
First Kentucky Trust	8.8
Summit & Elizabeth, N.J.	8.7
Massachusetts Mutual	8.6

Under $10 million

	%
Bank One Trust, Ohio	11.6
California First Bank	9.6
Fidelity Union (Int), N.J.	9.0
Allied Bank, Texas	9.0
First of Neenah, Wis.	8.9
Oregon Bank	8.8
Puget Sound Natl., Wash.	8.6
First of Bartlesville, Okla.	8.6
Union Planters, Tenn.	8.4
First Interstate of Ariz.	8.3

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United of Denver	12.5
Olympic Bank, Wash.	12.5
Fidelity Union, N.J.	12.4
Trust Co. of Florida	12.4
Toledo Trust, Ohio	12.4
First Interstate of Ariz.	12.4
Morgan Guaranty, (Med.), N.Y.	12.4
Central Natl., Cleveland	12.4
First Natl. State, N.J.	12.4
Salomon Bros. Index	**10.4**
LBKL Index	**12.0**

Five-year returns

	%
Fourth Natl., Wichita, Kans.	13.9
Texas Commerce, Houston	13.9
First Merch., Richmond	13.2
Seattle 1st Natl., Wash.	12.7
Hibernia National, La.	12.6
Fidelity Bank, Pa.	12.2
Cullen Bank, Texas	12.1
Manufacturers Hanover, N.Y.	12.1
Beverly Bank, Ill.	11.9
Boatmen's National, Mo.	11.9
Jefferson Trust, Ill.	11.8
American Security, D.C.	11.8
First Jersey Natl., N.J.	11.7
Allied Bank, Texas	11.7
United of Denver	11.5
First of Kansas City	11.4
Bank of New England	11.3
Bankers Trust B, N.Y.	11.3
First Wisconsin National	11.2
American Natl., Austin	11.2
Riggs of Washington	11.2
Centerre Trust, Mo.	11.1
Mercantile Trust, Mo.	11.1
Trust Co. of Florida	11.0
First Kentucky Trust	11.0
First Interstate of Calif.	10.9
First Valley Bank, Pa.	10.9
Pittsburgh National	10.9
Fidelity Union (Int.), N.J.	10.9
Union Planters, Tenn.	10.8
Merchants Natl., Pa.	10.8
First of Pa., Erie	10.7
Security-Peoples Trust, Pa.	10.7
Manufacturers Detroit	10.7
US Trust, N.Y.	10.7
First of Neenah, Wisc.	10.7
Marine Trust, Wis.	10.6
Mid-State Bancorp, Pa.	10.6
American National, Minn.	10.5
First Bank Milwaukee	10.5
Landmark Union Trust, Fla.	10.4
North Carolina Natl. Bank	10.4
Bankers Trust A, N.Y.	10.4
Seattle Trust, Wash.	10.4
Indiana National Bank	10.4
Toledo Trust, Ohio	10.3
First of Maryland	10.3
American Natl., Chicago	10.3
First Natl. of Commerce, La.	10.3
Citizens Fidelity, Ky.	10.3
First of Warsaw, Ind.	10.2
BancTexas, Dallas	10.2
State Mutual Life, Mass.	10.2
Salomon Bros. Index	**7.1**
LBKL Index	**9.4**

Ten-year returns

	%
Bank One Trust, Ohio	11.6
Hibernia National, La.	10.5
Fourth Natl., Wichita	10.2
Jefferson Trust, Ill.	10.1
First Merch., Richmond	9.9
Seattle 1st Natl., Wash.	9.9
Fidelity Bank, Pa.	9.8
California First Bank	9.6
Manufacturers Hanover, N.Y.	9.5
Centerre Trust, Mo.	9.4
US Trust, N.Y.	9.4
Texas Commerce, Houston	9.4
Cigna Corp., Conn.	9.3
First Jersey Natl., N.J.	9.1
Cullen Bank, Texas	9.1
Bankers Trust B, N.Y.	9.1
Fidelity Union (Int.), N.J.	9.0
Mercantile Trust, Mo.	9.0
Allied Bank, Texas	9.0
First of Neenah, Wis.	8.9
First Interstate of Calif.	8.9
Oregon Bank	8.8
First Wisconsin National	8.8
First Kentucky Trust	8.8
Summit & Elizabeth, N.J.	8.7
Puget Sound Natl., Wash.	8.6
First of Bartlesville, Okla.	8.6
Massachusetts Mutual	8.6
United of Denver, Colo.	8.6
Manufacturers Detroit	8.6
Mercantile Safe, Md.	8.6
American Natl., Chicago	8.5
Landmark Union Trust, Fla.	8.4
Union Planters, Tenn.	8.4
Crocker National, Calif.	8.4
North Carolina Natl. Bank	8.3
Bankers Trust A, N.Y.	8.3
Wachovia Bank, N.C.	8.3
First Interstate of Ariz.	8.3
Security-Peoples Trust, Pa.	8.2
Citizens Fidelity, Ky.	8.2
United Virginia Bank	8.2
Ohio Citizens Trust	8.2
Security Trust, Rochester	8.2
Lincoln National, Ind.	8.2
First Natl. of Commerce, La.	8.2
American Fletcher (Int. Mat.)	8.2
American Fletcher, Ind.	8.2
Salomon Bros. Index	**6.6**
LBKL Index	**8.0**

The statistical performance data printed here is extracted from Pensions & Investments' Performance Evaluation Report, published separately each quarter by *Pensions & Investment Age*.

The P.I.P.E.R. statistics covering funds' performances for the third quarter of 1983, are scheduled to be published in the Nov. 14 edition of *P&I Age*.

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NEW YORK LIFE

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Insurer's strategy . . .

Continued from page 13

company brought in from products sold within the United States. This fund for the first six months of the year was up 39%, according to Mr. Parkinson.

The investment management of the funds is run as a team effort in much the same way a private investment counseling organization handles its money management, he added.

Other members of the team include Mark Yamada, financial vice president for U.S. equities, and investment managers Peter Luke and Don McKerchar.

More than any of the other funds managed, the $6 million fund is "a stock picking exercise," as opposed to the broad top-down approach used in selecting stocks for the other funds.

The fund's success has come from concentrating primarily on "story" rapid earnings type of growth stocks, he pointed out. These are stocks of companies that through analysis have been found to have some special story to tell such as the development of a new product or anything else that might indicate it could generate an earnings explosion.

The $6 million fund has a fairly high turnover rate of one to two times a year. The fund typically holds between 40 and 45 names, with technology issues and financial service stocks playing a key role in the past year.

Technology issues included **Intel**, a semiconductor and memory circuit company; **Watkins Johnson**, a defense electronics company; and **Adac Laboratories**, a health-technology corporation.

Financial stocks included **Payco American**, a collection agency; **Universal Money Center**, a distributor of automatic teller machines; and **Citicorp**.

Other stocks that have been good performers recently included the drug wholesaler **Bergen Brunswig**, which was bought at a little more than $4 a share and is in excess of $30 today; the consumer stock **American Stores**, a $27 buy a year ago that is just more than $100 now; and the building and construction stock **Presley**, bought at $13 a share a year ago and now selling in the high $20s and low $30s.

The portfolios have even profited from the old standby **International Business Machines**, which has more than doubled from the $60 a share it was bought at a year ago to $120 a share today, according to Mr. Parkinson.

In the past four to six weeks, however, the fund has scaled back its 45% weighting in technology issues to about 35%, holding the assets temporarily in cash.

This is with the expectation that a correction will be coming sometime in September or October.

The whole market correction probably will only be 15 percentage points, but in terms of damage to some particular stock families or individual issues, the decline could be twice that amount, Mr. Parkinson suggested.

If the firm thought there would be a bear market as in 1981, then it would move to a 50% to 60% cash position, he added.

With the larger funds, the firm concentrates more on a top-down approach, looking at four primary areas and then following through to identify stocks that fit in with its overall analysis of the market.

The four areas include the overall economic picture; money and credit indicators like interest rates; sentiment indicators like whether advisory services are bullish or bearish on the market; and technical analysis. ■

Bonds . . .

Continued from page 13

Orleans, 12.6%; and Fidelity Bank, Philadelphia, 12.2%.

For the 10-year period, Bank One Trust, Columbus, Ohio, came out on top with an 11.6% annualized return. Next were Hibernia National Bank in New Orleans, 10.5%; Fourth National Bank and Trust Co., Wichita, Kan., 10.2%; and Jefferson and Savings Bank of Peoria, Ill., 10.1%.

Not surprisingly, the predominant strategy of banks that performed well in the second quarter was a reduction in the maturity of the bond portfolio.

Some also reported moving out of the deep-discount bonds. Deep-discount bonds pay little or no coupon and sell for a discount that reflects the going interest rate.

Other strategies included the use of convertible preferred stock, and arbitraging between credit ratings.

Some banks, however, viewed the slowness in the market as only temporary and saw no need for such defensive strategies.

First Wisconsin took a defensive stance by reducing bond maturities in the second quarter. But it ties its 3% return for the quarter to a couple convertible bond issues in its $20 million fixed-income portfolio, including Fleet Financial.

With a variety of strategies, several other banks also deftly maneuvered their way through the abrupt turnaround in the bond market.

"We started to see a little weakening in the market," explained R. Davis Hoke, vice president and manager of trust investments at Ohio Citizens.

The bank reduced the amount of long-term bonds in its $3 million portfolio and beefed up short- and intermediate-term holdings with five- to 10-year maturities.

Ohio Citizens had the second highest return for the quarter, 3.4%, and was 22nd for the year, 34.4%.

Another factor boosting the bank's performance, Mr. Hoke explained, was "we didn't commit cash until the (quarter's) end, so we had cash when bonds were declining in the second quarter."

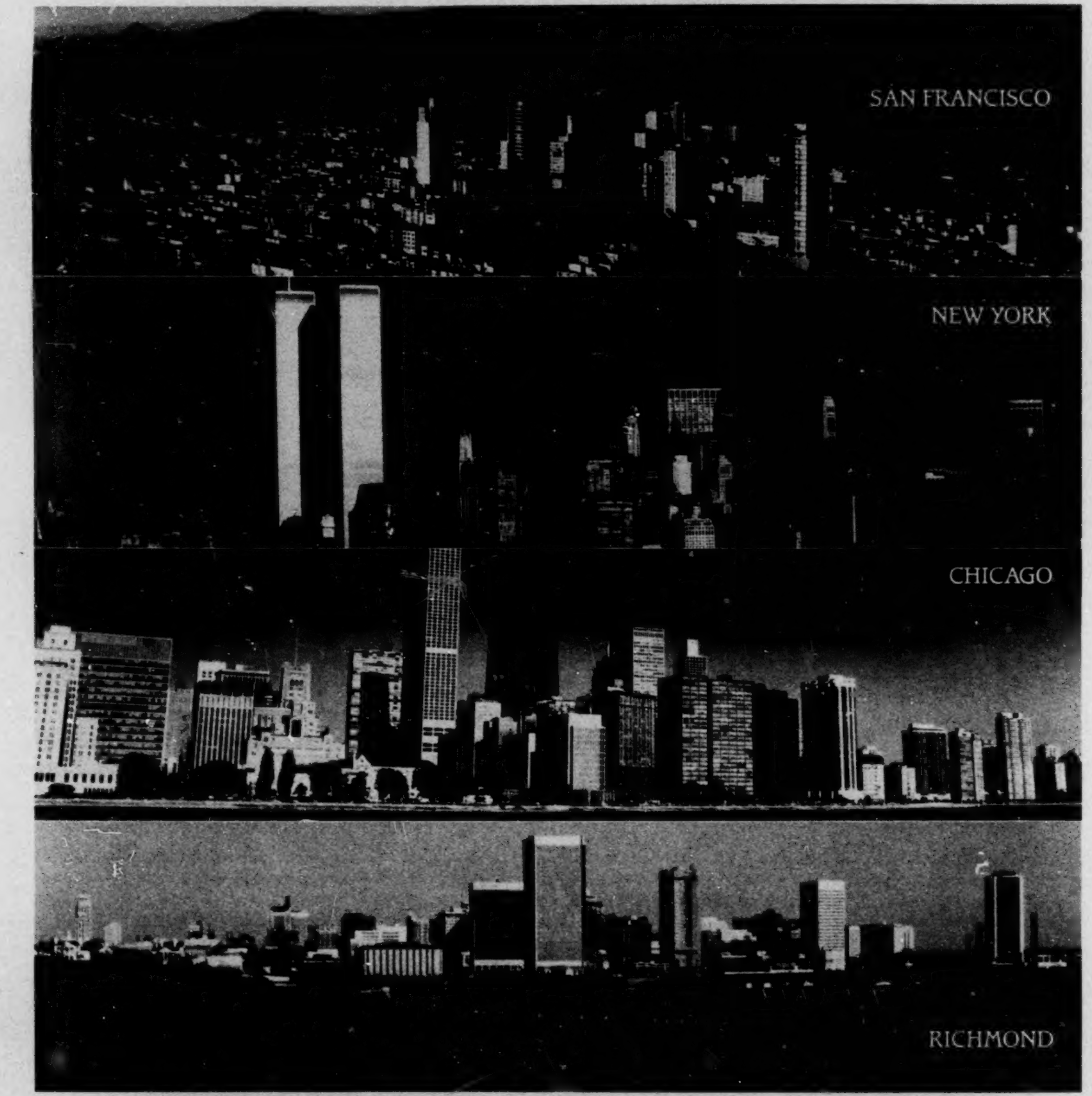
Charles Murray, trust investment officer at Merchants National of Mobile, attributed his fund's performance to a reduction in the average maturity to five years from 10. "We sold almost all our long government bonds somewhere around the third week of June," he said. Merchants National, which manages $40 million in bonds for tax-exempt investors, had a 3.4% return for the quarter.

Key Trust was "overtly bullish" in the latter part of 1982, according to Peter Ferrell, senior portfolio manager. Its high second-quarter performance, 3%, was attributed to the reduction in its average maturity and also the holding of a large number of A rated bonds. Mr. Ferrell explained A rated bonds were undervalued relative to AAA rated bonds. The spread between A and AAA rated bonds was 124 basis points in January and dropped to 53 basis points in July, he said.

While these banks were lowering maturities, Manufacturers Hanover raised its average maturity. The bank took some 40% of its $275 million fixed-income out of five- to seven-year bonds and moved into 20- to 30-year bonds, according to G.A. David Gray, senior vice president. The average maturity was raised to its current 18 years from nine years in mid-1982.

The bank lengthened its maturities to reflect its belief that the backup in rates was an "aberration" and that rates will fall for the balance of 1983 and into 1984.

For the three years ending June 30, Manufacturers Hanover ranked fifth with a 15.1% return; seventh for five years with a 12.1% return; and ninth for the 10-year period with a 9.5% return. ■



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Law gives Florida fund option to appoint outside managers

TALLAHASSEE, Fla. — A new law authorizing the Florida State Board of Administration to hire outside, discretionary managers will enable the $6 billion fund to begin the final stage of a long-range plan to change the structure of its portfolio.

E.J. Yelton, executive director, said the legislation follows more than three years of work on gradually increasing the fund's equity position to "modernize" its investment approach. He said it "seems logical to put money into the market through other sources."

Until 1980, only 6% of the assets were in common stock, with a 25% state-imposed maximum. That ceiling first was raised to 40%, and then to 60% this year, he said. In the meantime, the fund's equity commitment has grown to 37%, with 4% in cash and 59% in intermediate and long-term bonds.

As a result of the new authority, the board has hired Carmack Group of Los Angeles to consult with the fund on devising what Mr. Yelton calls a "long-range plan for asset allocation."

Carmack is to make its recommendations in mid-August on such issues as whether to hire outside managers, how many to hire and what investment styles should be used. Mr. Yelton said the board will spend two to three months reviewing the consultant's report before making any decisions. "I'm sure we'll use them (outside managers) to some degree," he said.

Mr. Yelton said there is no urgency about finding outside managers like there was for the California Teachers' Retirement System (*Pensions & Investment Age*, July 11). Instead, the action is the result of a perceived need to broaden the investment authority of the rapidly growing fund, which he said should climb to $10 billion in assets in four years.

He also discounted speculation that the move to external money management is somehow connected to the departure less than a year ago of chief investment officer Kenneth Peterson and the difficulty the fund has had in retaining key investment personnel.

He did concede that hiring outside managers likely will be necessary because the board does not have the time to devote to building up an internal management staff.

He also said the position of chief investment officer has been eliminated and that the major decision — asset allocation — is being made by a committee that includes himself and the senior portfolio managers.

Any changes that result from the fund's new authority will be implemented gradually, Mr. Yelton said. ■

Equity funds . . .

Continued from page 13

and Trust Co. of Tulsa, Oklahoma, 35.2%; and California First Bank, San Diego, 34.2%.

For five years, ranking behind Manufacturers Life were IntraWest Bank of Denver, 31.2%; Employers Insurance of Wausau, 30.6%; Citizens Bank & Trust Co., Chillicothe, Mo., 29.3%; and Philadelphia Life Insurance Co., 28.7%.

For the 10-year period, Citizens Bank & Trust took second place, behind Manufacturers Life, with a return of 21.5%. First Wisconsin National Bank of Madison followed with 20.7%; Guardian Life Insurance, New York, 20.4%; and Philadelphia Life, 19.4%.

Median P.I.P.E.R. returns for the time periods have underperformed the Standard & Poor's 500 stock index for all but the annualized three-year figure. The median return for the quarter was 10.6% compared with 11.1% for the S&P 500. For the year, the gap widened significantly, with the median fund at 56.2% and the S&P 500 at 61.4%.

For three years, however, the median fund returned 20.2%, beating out the S&P's 19.2%.

But in the five- and 10-year statistics, the S&P again beat the P.I.P.E.R. medians, returning 18.1% and 10.1%, respectively, compared with P.I.P.E.R.'s 18% and 9.9%. ■

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Study: services will expand as number of banks dwindles

Larger banks wili step up competition with investment banks

By Pavan Sahgal

NEW YORK — Fully half the banks in the United States will be actively competing with investment banks for fee income in offering merger and acquisition services, according to a major banking industry study.

In addition, as many as 75% of all banks are projected to offer brokerage services by the year 1990, the study found.

The new report predicts a dramatic decrease in the number of banks, from 15,000 in 1980 to only 9,600 by 1990. Small banks, with assets at less than $100 million, are forecast to decline 41%, from more than 13,000 in 1980 to less than 7,800 in 1990.

The decline is expected to shift assets to banks with more than $1 billion in holdings. Such banks might increase their assets share from 53% in 1980 to 65% in 1990, the report adds.

The study, "New Dimensions in Banking: Managing the Strategic Position," was conducted by the Bank Administration Institute and Arthur Andersen & Co. It used the Delphi forecasting method, which relies on the judgment of knowledgeable experts to obtain a consensus through multiple rounds of questioning.

The Delphi technique was used in the absence of an appropriate data base for logical extrapolation or model building.

The respondents included chief executive officers at banks, thrifts, securities firms, insurance companies and other financial services providers; chief operations officers of banks; investment bankers and financial analysts; and regulators and legislators.

Roughly 300 respondents, or about 15% of the 2,000 people polled, responded to both rounds of a two-part survey conducted in November 1982 and January 1983.

Commercial banks' entry into investment banking is viewed as "very likely" by financial analysts and chief executive officers at large banks.

Bank chief executive officers think securities brokerage might be the "best new area for banks to enter and be successful." But financial analysts are pessimistic about the bankers' probable degree of success, according to the study.

It adds, however, that 39% of the chief executive officers from large banks do not expect banks to underwrite securities until 1986 or later.

"Large banks, with assets in excess of $1 billion, are thinking of becoming much more of an investment banker than smaller banks," said Joel P. Friedman, San Francisco-based partner in Arthur Andersen & Co., who specializes in banking and strategic planning. "They plan to offer a full range of investment alternatives, such as execution of trades in terms of portfolios, and other corporate finance work."

The majority of banks also expect to take equity positions in their commercial lending operations by the end of the '80s. But regulators do not agree that banks will be permitted to do that.

Although some of the larger banks already are in a position to offer selected corporate finance services to clients, the banking industry professionals believe the Glass-Steagall Act inhibits business because corporations do not perceive commercial banks as having investment banking capabilities.

A consensus holds that banks will be permitted to offer securities underwriting services within the next three years, after Glass-Steagall is modified substantially or abolished, said Mr. Friedman.

"A wide choice of products will become even more important to customers in deciding where to deposit their funds," said Richard J. Wurzberg, executive vice president of planning and development, at the Bank Administration Institute.

A strategy of specializing by offering a limited product line might inhibit deposit growth, Mr. Wurzberg added.

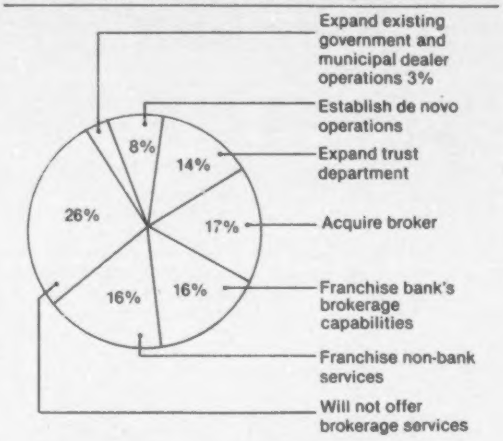
Consequently, most banks plan to offer brokerage services. But not all plan to offer a full range of investment banking services.

Banks might employ various strategies to enter securities brokerage, suggests the BAI-Arthur Andersen study. The most common of these might be franchise agreements with non-banks; others might be through acquisition of brokerage firms.

Although non-bank competitors believe 25% of all banks will choose acquisitions as the form of entry, the survey found only 13% to 15%

Continued on page 21

Means of Bank Entry into Securities Brokerage
Banks will employ various strategies to enter brokerage



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Source: *New Dimensions in Banking: Managing the Strategic Position*

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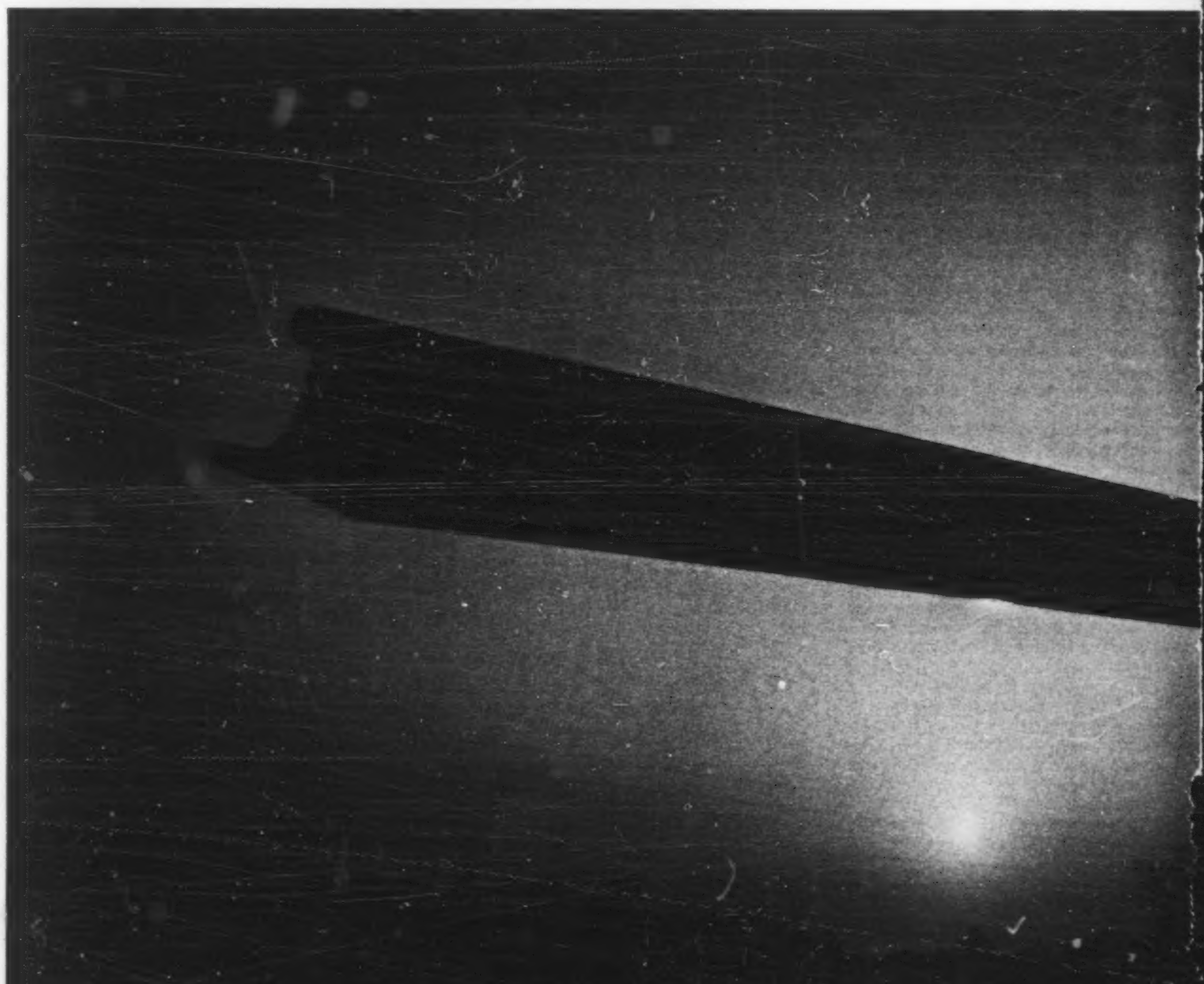

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Bank study . . .

Continued from page 20

of all banks plan to do so.

One of the attractions of the brokerage business might be growth: the survey panel forecasts the industry's growth rate at 20% to 22% a year through the decade.

Banks are predicted to gain at least 16% of the brokerage market by 1986 and 21% by 1990, but small-bank chief executive officers forecast banks would capture 24% of the market by 1986 and 29% by 1990. They could not agree on how this share would be divided among large, medium and small banks.

Insurance companies, savings and loan associations, and retailers are expected to seize 3% to 5% of the securities brokerage market by 1990. But securities firms were expected to remain leaders because of their "better investment advice, better access to research and, overall, a better image."

On the other hand, thrifts were seen to have the disadvantages of image, perceived safety and research abilities.

Surprisingly, bank chief executive officers expect their non-bank competitors to acquire few banks. In their view, others would enter the field by chartering new banks or by expanding existing product lines. But they believe banking acquisitions are likely to be made by foreign buyers, thrifts and some brokerage houses.

Financial analysts believe that insurance companies, large retailers, conglomerates and investment companies are less likely to acquire banks. Nonetheless, bank chief executive officers fear that even through the acquisition of a single bank, such competitors could gain banking powers and distribute new products and services through existing channels.

The study, marked by its density of issues, also included comment on the regulatory environment of the banking industry; predictions on technological advances in banking; lending; and market strategies.

It forecast a decline in bank earnings as a result of higher deposit costs, the expense of developing new products and increased competition. By 1990, large banks' return on assets was expected to drop from 0.82% to 0.76%; from 0.92% to 0.86% for medium banks; and from 1.13% to less than 1% for small banks.

Despite predictions of depressed earnings, bankers believe adequate capital generally will be available, with internal sources accounting for all but 14% of new bank capital through 1986.

The report may be obtained for $40 from Arthur Andersen & Co., New Dimensions in Banking, P.O. Box 1022, Tinley Park, Ill. 60477. ▪

Stocks upped to 65%

Equity boost captures best return for police

LOS ANGELES — The $1.3 billion Los Angeles Fire & Police Pension System has turned in its highest return ever for 12 months, a 38.2% return on total fund performance for the year ending March 31.

Gary Mattingly, manager of the fund, credited much of the success to the board of trustees' decision to push the fund's equity exposure to nearly 65% of assets.

That figure differs markedly from the fund's past equity exposure, which sometimes was reported at 18%, in part because of a previous limitation on equity exposure to 25% of assets. Hit by high inflation, and a tax limitation initiative, the city administrative office and City Council began a push two years ago to increase the fund's investment return.

The plan's trustees asked for and received a change in the city charter that allowed the fund to invest up to 70% of assets in equities.

Last December, the fund also changed its custodian to Bankers Trust, New York, and began a securities lending program that has returned more income than promised. According to Mr. Mattingly, who became manager of the fund last year, Bankers Trust told him to expect about $50,000 a month in added income, but the fund has been receiving $80,000 a month instead.

"We are very pleased," he said.

Mr. Mattingly also praised his asset managers — Security Pacific Investment Managers, Boston Co., Wright Investors' Service and Chemical Bank of New York.

The fund had been returning about 3.9% annually in past years, he said. In more recent quarterly periods, the fund has been consistently in the top third of a comparison universe, he said. The turnaround performance has been welcome news at Los Angeles City Hall; Los Angeles, like other California cities, has been suffering from decreased state aid.

The board of trustees also is considering getting into options, and is considering hiring a consultant. ▪

Legislation endorsed

SACRAMENTO, Calif. — A proposal that would make the California State Teachers' and Public Employees' Retirement Systems quasi-independent agencies has been endorsed 6-0 by a legislative conference committee.

Democratic supporters of the proposal are especially pleased at getting the vote of conference committee member Ed Davis, a conservative Republican senator and former Los Angeles police chief. Mr. Davis has been the frequent target of criticism from liberals.

Full State Senate and Assembly passage of bill No. 672 is expected soon. It then will go to Gov. George Deukmejian, who will have 12 days to decide whether to veto it. An administration representative had asked the conference committee to delay approving the bill for a month, but the request was refused.

If the bill is approved, the trustees of the two retirement systems will be able to set salaries for in-house members of their investment staffs. The salary setting power now is in the hands of executive branch administrative agencies.

The $10 billion teachers' fund recently transferred management of its assets to three outside advisers on an interim basis, saying current salaries for in-house investment staff were not high enough to attract new personnel. ▪

Send information regarding the *Accounts for the month* column to:
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CANADA

Quebec's Caisse de depot et placement

Fund pulls in returns, packs political punch

By Kimberly Blanton

MONTREAL — Investing for political purposes need not be synonymous with poor returns — at least under Carmand Normand.

Mr. Normand heads equity investments for the $18 billion Caisse de depot et placement, the Quebec provincial pension fund. As a public fund, the Caisse has not remained free of the hot political controversies between the French-dominated and English-dominated provinces. Indeed, a stated goal of the fund is to support Quebec's development.

But Mr. Normand will not let that goal interfere with its primary goal of earning the best possible return on its equity investment.

"It will not be in the best interest of the province to use Caisse funds to subsidize a sector of the economy that will provide no return at the benefit of getting a short-term advantage," Mr. Normand explained in an interview in his Montreal office. Moreover, he said the fund is not interested in leaning on a company to make unprofitable decisions.

The fund's investments in the stock of large Canadian companies have been the source of much controversy in the Canadian investment community. The Caisse's equity portfolio contains large holdings in many of Canada's largest companies, including Alcan Aluminum Ltd., Bell Canada and Provigo Inc.

Critics charge the Caisse plans to use its muscle to influence firms to stay inside the province or to expand operations in Quebec, which has lost many companies whose executives fear the separatist sentiments of the provincial government.

The Canadian Parliament believed the threat to be serious enough to introduce last winter a bill that limits to 10% the shares of a transportation company that can be held by a provincial government agency. This followed a boost in the Caisse's holdings in Canadian Pacific Ltd. to 9.9%. CP is a transportation company, and Canada's largest company. The bill did not pass, and probably will be reintroduced in the next session of Parliament.

Although fund officials have been open about their aims — the annual report states the fund's "action is directed toward the support of Quebec's economic development" — it also can be argued that these make good investment sense.

> *The annual report states the fund's "action is directed toward the support of Quebec's economic development" — it also can be argued that this makes good investment sense.*

Mr. Normand denies any direct link between his decisions on equity investments and the Quebec government's policy, however.

"I've been here 1½ years, and I never get a call from anybody about what I can buy and what I can sell," he said. Prior to joining the Caisse, Mr. Normand was a vice president at a trust company, Credit Foncier Franco Canadian.

He asserts the government does not know how to turn a profit.

He apparently does: In 1982, the equity investments brought in a 15.7% return, against 5.5% for the Toronto Stock Exchange index. If it were compared with the funds evaluated by Pension Finance Associates, Toronto, the Caisse nudged the 16.4% break-point for the upper quartile.

Mr. Normand pointed to the fund's return, saying, "To get the best return, that's where I think we can help the most. If that's because we implement the government policy, I'm willing to implement the government's policy every year."

Since the end of last year, the equity portion of the fund has grown from $3.2 billion to $4.1 billion, more than 20% of the fund.

About half of that growth was investment yield and the other half reflects an increase in the fund's commitment to all types of equity investments, according to Mr. Normand.

That includes stock in publicly held companies and shares in privately held ones, and investments in companies in which it assumes an equity participation, he said.

In addition to its controversial holdings in some of Canada's largest companies, the Caisse also has a program designed to bolster small and medium-size companies within the province. Often these companies are viable but small concerns whose liquidity has dried up in Canada's severe recession.

The Caisse chooses these companies for their management potential first.

"I think the criteria is we will invest in companies that have good management," Mr. Normand explained. The Caisse asserts it does not want to be a manager.

"We will not invest in a company with structural problems" in dying industries, "but we might invest in a company that will have a cyclical problem" and needs capital to ex-

Continued on page 55

Top 10 Canadian firms hold half of tax-exempt assets

Royal Trust, Great-West Life run 18% of $45.1 billion total

Royal Trust and Great-West Life Assurance Co. together oversee the investment of 18% of the $45.1 billion in tax-exempt assets managed by the firms included in *Pensions & Investment Age's* annual directory of Canadian investment advisers.

Moreover, the top 10 firms manage almost half of these assets, further underscoring the high concentration of Canadian pension assets among a few management firms.

The 55 Canadian advisers surveyed manage about $5.2 billion in real estate assets.

Total assets managed by these firms totaled $95.5 billion. All data the investment advisers supplied reflect assets as of March 31.

About $23 billion, almost half of the total tax-exempt assets, are concentrated among the 10 largest firms, which oversee stock, bond and real estate investments, with a smattering of venture capital and U.S. and overseas investments.

Royal Trust managed the most assets, $4.2 billion, followed closely by Great-West Life, with $4.1 billion under management. Those two companies were far ahead of the third ranking manager, Canada Trust, which invests about $2.5 billion.

Next on the list were Montreal Trust, $2.2 billion; Beutel Goodman & Co. Ltd., $2 billion; Standard Life Assurance Co., $2 billion; Confederation Life Insurance Co., $1.7 billion; Phillips Hager & North Ltd., $1.7 billion; Jarislowsky, Fraser & Co. Ltd. Investment Counsel, $1.5 billion; and Sceptre Investment Counsel Ltd., $1.1 billion.

The 55 firms profiled manage about $5.2 billion in real estate assets, of which $4.3 billion is in mortgages and $900 million in equity real estate. A total of 12 of those managers invest in equity real estate; 25 invest in mortgages.

Royal Trust, with $250 million in equity real estate under management, is at the top of that ranking. Second is Great-West Life with $159 million, followed by Canada Trust, $150 million; Sun Life Assurance Co. of Canada, $100 million; and The Canada Life Assurance Co., $97 million.

A few of the firms invest outside the traditional domestic markets. Beutel Goodman manages venture capital assets; Canada Permanent Trust has assets in Japanese stocks.

The following directory was compiled from questionnaires sent to Canadian money management firms.

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Top 10 Canadian investment managers

Ranked by tax-exempt assets under management

	($ million)
Royal Trust	4,200
Great-West Life	4,100
Canada Trust	2,481
Montreal Trust	2,198
Standard Life	2,002
Beutel Goodman	2,000
Confederation Life	1,700
Phillips Hager & North	1,700
Jarislowsky, Fraser	1,500
Sceptre Investment Counsel	1,100
Total	22,981

a

Aetna Canada

145 King St. W., Toronto, Ontario
M5H 3T7; (416) 863-8000

Total assets managed	$1,032,000,000
Tax-exempt assets managed:	
Total	$410,000,000
Discretionary	$325,000,000
Minimum separate account	$2,000,000
Real estate assets managed:	
Equity	$10,000,000
Mortgages	$92,000,000
Tax-exempt clients	719
Number of portfolio managers	5
Size of research staff	4
Stocks followed generally	100
Stocks followed closely	80
Types of accounts mgd	CGJ

Tax-exempt assets at Aetna Canada totaled $410 million as of March 31.

The approximate mix for tax-exempt assets was 20% Canadian stocks; 21% bonds; 19% cash; 4% equity real estate; 33% mortgages; and 3% U.S. stocks.

Aetna Canada offers its clients equity, fixed-income, balanced, real estate and short-term investment management services.

For its equity approach, expected rates of return for every stock are compared with their risk (standard deviation) and a portfolio reflecting an acceptable overall risk level is constructed.

For its fixed-income investment approach, Aetna Canada strives to attain an above average, less volatile fixed-income return by using asset shifts between bonds and mortgages as well as movement along the yield curve.

B.F.H. Graham, vice president and treasurer, is chief investment officer; William H. Alexander, associate treasurer, is the client contact.

Altamira Management Ltd.

475 Michel Jasmin, Dorval, Quebec
H9P 1C2; (514) 631-2347

Total assets managed	$300,000,000
Tax-exempt assets managed:	
Total	$135,000,000
Discretionary	$135,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	12
Number of portfolio managers	2
Types of accounts mgd	CF

Altamira managed $135 million in tax-exempt assets as of March 31.

A fixed-income manager, the firm's approximate asset mix was 80% bonds and 20% cash.

For fixed-income investment, the firm strongly believes in active bond management, adapting quickly to a changing environment rather than attempting to forecast far into the future; emphasis is on value in the marketplace. Gary Gilmore, president, and David Baker, vice president, are the chief investment officers and the client contacts.

Armika Ltd.

545 Dovercourt Road, Toronto,
Ontario M6H 2W5; (514) 738-3284

Total assets managed	$6,000,000
Tax-exempt assets managed:	
Total	$1,000,000
Discretionary	$1,000,000
Minimum separate account	$500,000
Tax-exempt clients	1
Number of portfolio managers	1
Stocks followed generally	50
Stocks followed closely	50
Types of accounts mgd	CF

As of March 31, tax-exempt assets at Armika totaled $1 million. 95% of that was invested in Canadian stocks.

The firm is an equity manager.

Its investment approach is based on modern portfolio theory and market timing. Stocks are selected for potential dividend increases. Rare emerging growth stocks are selected.

None of the firm's clients are pension funds of subsidiaries of U.S. firms.

M. Aronovitch is the chief investment officer and the client contact.

b

Beutel Goodman & Co. Ltd.

Suite 1201 2300 Yonge St., Toronto,
Ontario M4P 1E4; (416) 485-1010

Total assets managed	$2,300,000,000
Tax-exempt assets managed:	
Total	$2,000,000,000
Discretionary	$2,000,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Equity	$60,000,000
Tax-exempt clients	75
Number of portfolio managers	7
Size of research staff	3
Types of accounts mgd	CEFJ

Beutel Goodman managed $2 billion in tax-exempt assets as of March 31.

The approximate mix for tax-exempt assets was 58% Canadian and U.S. stocks; 23% bonds; 15% cash; 2% equity real estate; and 2% venture capital.

The firm has equity, fixed-income, balanced and real estate capabilities.

It uses an equity philosophy based on sector rotation and Graham & Dodd. It uses a contrarian and value-oriented approach that seeks to accumulate deeply undervalued equities that are at a discount to intrinsic value at a low multiple of earnings.

The fixed-income approach is one of interest rate anticipation. There is an emphasis on liquidity, quality and income stream.

Total returns are augmented through active management that exploits both anomalies in yield curve relationships and deviations from the expected trend in rates.

The firm has 24 clients that are pension funds of subsidiaries of U.S. firms.

Clients include Abbott Laboratories, Caterpillar of Canada, GTE, Inco, Rockwell Canada and Woolworth.

Austin C. Beutel is the chief investment officer; David A. Williams is the client contact.

Black, Galper & Heessels Ltd.

2 First Canadian Place, Suite 1010,
P.O. Box 413, Toronto, Ontario
M5X 1E3; (416) 869-0163

Total assets managed	$976,000,000
Tax-exempt assets managed:	
Total	$969,000,000
Discretionary	$969,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	31
Number of portfolio managers	6
Stocks followed generally	200
Stocks followed closely	40
Types of accounts mgd	CEFGJ

Tax-exempt assets at Black, Galper & Heessels totaled $969 million as of March 31.

The approximate mix for tax-exempt assets was 46% Canadian stocks; 23% bonds, 25% cash and 6% U.S. stocks.

The firm has equity, fixed-income and balanced capabilities.

It uses an equity approach based on sector rotation and market timing.

Its fixed-income approach is based on interest rate anticipation.

The firm has six clients that are pension funds of subsidiaries of U.S. firms.

Paul F. Black, president, is the chief investment officer and the client contact.

Bolton, Tremblay Inc.

Suite 800, 1100 University St.,
Montreal, Quebec H3B 4K5; (416)
864-1480

Total assets managed	$1,600,000,000
Tax-exempt assets managed:	
Total	$1,000,000,000
Discretionary	$800,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	85
Number of portfolio managers	15
Stocks followed generally	140
Stocks followed closely	80
Types of accounts mgd	CEFGJ

Tax-exempt assets at Bolton, Tremblay totaled $1 billion as of March 31.

The approximate mix for tax-exempt assets was 30% Canadian stocks, 50% bonds, 10% cash and 10% U.S. stocks.

The firm is a balanced manager.

Its equity approach is based on Graham & Dodd; emphasis is on value-oriented stock selection.

It uses a fixed-income approach based on interest rate anticipation and sector analysis. The overall bond strategy is based on interest rate forecasts and analysis of the yield curve, with frequent switches between bond market sectors on interest rate spreads.

Clients include Amoco, Bristol-Myers, University of Western Ontario and the City of Winnipeg.

Ian T. Scott, executive vice president and director, is the chief investment officer and the client contact.

c

The Canada Life Assurance Co.

330 University Ave., Toronto, Ontario,
M5G 1R8; (416) 597-1456

Total assets managed	$4,500,000,000
Tax-exempt assets managed:	
Total	$973,000,000
Discretionary	$973,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Equity	$97,000,000
Tax-exempt clients	137
Number of portfolio managers	4
Size of research staff	11
Stocks followed generally	150
Stocks followed closely	150
Types of accounts mgd	CGJ

Canada Life managed $973 million in tax-exempt assets as of March 31.

The approximate mix of tax-exempt assets was 48% Canadian and U.S. stocks, 22% bonds, 10% equity real estate and 20% mortgages.

The firm is a balanced manager. It also has equity, fixed-income and real estate capabilities.

Its equity approach includes sector rotation, modern portfolio theory and market timing and leans toward smaller companies for investments.

Its fixed-income approach is based on interest rate anticipation. Sector analysis is also used.

The firm has six clients that are pension funds of subsidiaries of U.S. firms.

R.D. Redford, senior vice president, is the chief investment officer. W.T. (Taylor) Echlin, superintendent of group pension investment services, is the client contact.

Canada Permanent Trust Co.

320 Bay St., Toronto, Ontario M5H
2P6; (416) 361-8271

Total assets managed	$3,300,000,000
Tax-exempt assets managed:	
Total	$600,000,000
Discretionary	$600,000,000
Minimum separate account	$3,000,000
Real estate assets managed:	
Mortgages	$92,000,000
Tax-exempt clients	152
Number of portfolio managers	7
Stocks followed generally	150
Stocks followed closely	150
Types of accounts mgd	CEJ

Canada Permanent Trust managed $600 million in tax-exempt assets as of March 31.

The approximate mix for tax-exempt assets was 38% Canadian stocks, 28% bonds, 6% cash, 18% mortgages, 8% U.S. stocks and 2% Japanese stock.

The firm has equity, fixed-income and balanced capabilities.

For equity investment, the firm's approach includes growth stock, low p/e, sector rotation, Graham & Dodd, modern portfolio theory and market timing. Operated in a team approach, the equity approach is concentration in fewer than 35 situations with above-average returns prospects, given defined risk and liquidity markets.

It uses a fixed-income approach based on interest rate anticipation and sector analysis. Strategy corresponds to quality and liquidity considerations while taking an active approach to aberrations in the yield curve for Canadian and international markets.

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Norman G. Wright, senior vice president-trust services division, is the chief investment officer; John A. Boyd, senior investment officer, is the client contact.

Canada Trust-Investment Division

110 Yonge St., Toronto, Ontario M5C 1T4; (416) 869-6320

Total assets managed	$2,481,000,000
Tax-exempt assets managed:	
Total	$2,481,000,000
Discretionary	$2,481,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Equity	$150,000,000
Mortgages	$374,000,000
Tax-exempt clients	89
Number of portfolio managers	6
Size of research staff	4
Stocks followed generally	225
Stocks followed closely	105
Types of accounts mgd	CFJ

Canada Trust had $2.481 billion under management as of March 31.

The approximate mix for tax-exempt assets was 45% Canadian stocks, 25% bonds, 5% cash, 15% mortgages and 10% U.S. stocks.

The firm is a balanced manager, with specialty managers for each asset class.

For equity investment, the firm's approach is based on Graham & Dodd. Sector rotation and market timing also are used. Emphasis is on industry over- and underweighting, with extensive use of external research for securities selection, including the Abel/Noser screening technique, Boston Co. and H.C. Wainwright economic forecasts used to anticipate trends.

It uses a fixed-income approach based on interest rate anticipation, aggressively using high-grade government bonds structured to a given maturity for maximum effect from their interest rate projection. Computer simulations by Gifford Fong Associates are used extensively.

Of the 225 stocks the firm follows generally, 145 are Canadian and 80 are U.S. Of the 105 closely followed stocks, 60 are Canadian and 45 are U.S.

Clients include Air Canada, HFC, University of Manitoba, BC Telephone, IBM, General Motors and Ford.

The firm has 18 clients that are pension funds of subsidiaries of U.S. firms.

W.J. Blowers, vice president-trust investments, is the chief investment officer and the client contact.

Canagex Placements Lte.

500 Place d'Armes, Suite 1660, Montreal, Quebec H2Y 2W2; (514) 281-7469

Total assets managed	$880,000,000
Tax-exempt assets managed:	
Total	$455,000,000
Discretionary	$455,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Mortgages	$12,000,000
Tax-exempt clients	30
Number of portfolio managers	7
Stocks followed generally	200
Stocks followed closely	50
Types of accounts mgd	CF

Tax-exempt assets under management by Canagex Placements totaled $455 million as of March 31.

The approximate mix for tax-exempt assets was 15% Canadian stocks, 70% bonds, 5% cash and 10% U.S. stocks.

The firm has equity, fixed-income, balanced and options capabilities.

Its equity approach is based on sector rotation, Graham & Dodd, and modern portfolio theory.

Its fixed-income approach is based on interest rate anticipation and sector analysis.

The firm has one client that is a pension fund of a subsidiary of a U.S. firm.

Claude Lemire, president, is the chief investment officer and the client contact.

Central Trust

5151 Terminal Road, Halifax, Nova Scotia B3J 3C8; (902) 425-7390

Total assets managed	$2,800,000,000
Tax-exempt assets managed:	
Total	$85,000,000
Discretionary	$85,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	12
Number of portfolio managers	7
Stocks followed generally	125
Stocks followed closely	65
Types of accounts mgd	CEJ

Central Trust managed $85 million in tax-exempt assets as of March 31.

The approximate mix for tax-exempt assets was 40% Canadian stocks, 35% bonds, 5% cash, 15% mortgages and 10% U.S. stocks.

The firm has equity, fixed-income and balanced capabilities.

Its equity approach is based on Graham & Dodd; its fixed-income approach is based on interest rate anticipation.

M.J. Small, vice president-investments, is the chief investment officer and the client contact.

Cockfield Cooper Cunningham Investment Counsel Inc.

20 Victoria St., Suite 205, Toronto, Ontario M5C 2N8; (416) 366-2253

Total assets managed	$241,000,000
Tax-exempt assets managed:	
Total	$231,000,000
Discretionary	$231,000,000
Minimum separate account	$2,000,000
Real estate assets managed:	
Mortgages	$25,000,000
Tax-exempt clients	17
Number of portfolio managers	4
Stocks followed generally	600
Stocks followed closely	200
Types of accounts mgd	CEFJ

Cockfield Cooper Cunningham had $231 million in tax-exempt assets under management as of March 31.

The approximate mix for tax-exempt assets was 45% Canadian stocks, 30% bonds, 10% cash, 10% mortgages and 5% U.S. stocks.

The firm has equity, fixed-income, balanced and mortgage capabilities.

Its equity approach is aggressive based on growth stock, industry rotation and market timing.

Interest rate anticipation is the basis for its fixed-income approach. Concentrating on Canadian bonds for liquidity and trading purposes, bond money is managed actively.

The firm has two clients that are pension funds of subsidiaries of U.S. firms.

Clients include Coca-Cola Ltd., Canada Cement, Westons and Polysar Ltd.

David Cockfield, president, is the chief investment officer; Andrew T. Griffith is the client contact.

Compagnie d'assurance sur la vie La Sauvegarde

1 Complexe Desjardins, Montreal, Quebec H5B 1E2; (514) 285-7700

Total assets managed	$405,000,000
Tax-exempt assets managed:	
Total	$85,000,000
Discretionary	$85,000,000
Minimum separate account	$1,000,000
Real estate assets managed:	
Mortgages	$14,000,000
Tax-exempt clients	19
Number of portfolio managers	2
Size of research staff	1
Stocks followed generally	80
Stocks followed closely	50
Types of accounts mgd	C

The firm's tax-exempt assets under management totaled $85 million as of March 31.

The approximate mix for tax-exempt assets was 12% Canadian stocks; 52% bonds; 19% cash; and 17% mortgages.

The firm is a balanced manager.

Its equity approach is based on sector rotation. From an economic forecast, an asset mix and specific industry weights are derived. There is emphasis on high-capitalization, low p/e stocks to obtain a long-term superior performance.

Its fixed-income approach is based on sector analysis. It uses active portfolio management in anticipation of interest rate movements as well as sector swapping to exploit market aberrations, with emphasis on high-quality liquid securities.

Gerard Bouvier, vice president-finances, is the chief investment officer; Rene Delsanne, manager-group pension funds, is the client contact.

Confederation Life Insurance Co.

321 Bloor St. E., Toronto, Ontario M4W 1H1; (416) 967-8162

Total assets managed	$1,700,000,000
Tax-exempt assets managed:	
Total	$1,700,000,000
Discretionary	$1,500,000,000
Minimum separate account	$4,000,000
Real estate assets managed:	
Equity	$25,000,000
Tax-exempt clients	535
Number of portfolio managers	6
Types of accounts mgd	CJ

Canadian Life managed $1.7 billion in assets, all tax-exempt, as of March 31.

The approximate mix for assets was 35% Canadian stocks, 39% bonds, 3% cash, 12% mortgages and 11% U.S. stocks.

The firm has equity, fixed-income, balanced and real estate capabilities.

Its equity approach is based on Graham & Dodd. The firm concentrates on shares of companies with high sustainable return on equity produced by asset turnovers and margins.

Interest rate anticipation and trading are the cornerstones of the firm's fixed-income approach. Sector analysis is used.

A.F. Hamblin, president, is the chief investment officer; F.G. Ryan, assistant vice president-group pension marketing, is the client contact.

Connor, Clark & Lunn Investment Management

1055 Dunsmuir St., Suite 764, Box 49296, 4 Bentall Centre, Vancouver, British Columbia V7X 1L3; (604) 669-3512

Total assets managed	$100,000,000
Tax-exempt assets managed:	
Total	$55,000,000
Discretionary	$55,000,000

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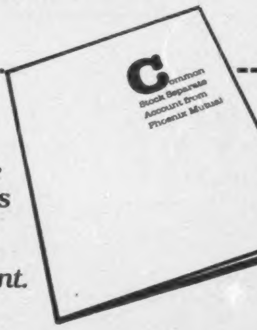
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Minimum separate account	$1,000,000
Tax-exempt clients	12
Number of portfolio managers	5
Size of research staff	1
Stocks followed generally	160
Stocks followed closely	50
Types of accounts mgd	CFJ

As of March 31, Connor, Clark & Lunn managed $55 million in tax-exempt assets.

The approximate asset mix was 35% Canadian stocks, 48% bonds, 7% cash and 10% U.S. stocks.

The firm is a balanced manager.

The basis for the firm's equity approach includes emerging growth, low p/e, sector rotation and Graham & Dodd. Equities are catagorized into two areas: core stocks, which are identified through a concept approach and financial screens; and non-core positions, for which a top-down approach using sector rotation and some market timing is applied.

For fixed-income investment, sector analysis and a value-added approach are used. Capital preservation is one of the cornerstones for fixed-income investing. Interest rate timing is downplayed. Value-added techniques are used to identify the best relative rates of return.

The firm has two clients that are pension funds of subsidiaries of U.S. firms.

Larry R. Lunn, president and managing partner, is the chief investment officer; Dale C. Christensen, vice president, is the client contact.

Crown Life Insurance Co.

120 Bloor St. E., Toronto, Ontario M4W 1B8; (416) 928-4500

Total assets managed	$3,134,000,000
Tax-exempt assets managed:	
Total	$940,000,000
Discretionary	$940,000,000
Minimum separate account	$1,000,000
Number of portfolio managers	6
Size of research staff	4
Stocks followed generally	200
Stocks followed closely	50
Types of accounts mgd	C

As of Dec. 31, 1982, tax-exempt assets at Crown Life totaled $940 million.

The firm has equity, fixed-income and balanced capabilities.

For equity management, market timing is emphasized but growth stock, emerging growth and sector rotation also play a role in the firm's approach. Regular group rotation based on relative values is practiced. Technical analysis also plays an important role.

Its fixed-income approach is based on interest rate anticipation and sector analysis. Market timing and interest-spread strategies play the key roles.

D.G. Payne, executive vice president-investment operations, is the chief investment officer and the client contact.

d

Dominion Life Assurance Co.

111 Westmount Road S., Waterloo, Ontario N2J 4C6; (519) 888-5314

Total assets managed	$1,200,000,000
Tax-exempt assets managed:	
Total	$150,000,000
Discretionary	$150,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	300
Number of portfolio managers	3
Stocks followed generally	125
Stocks followed closely	100
Types of accounts mgd	C

Dominion Life managed $150 million in tax-exempt assets as of March 31.

The approximate mix of tax-exempt assets was 20% Canadian stocks, 25% bonds, 2% cash, 50% mortgages, 2% U.S. stocks and 1% in other investments.

The firm is a balanced manager. It plans to introduce a real estate capability sometime this year.

Its equity approach is based on Graham & Dodd, emphasizing stock picking and using market timing (through exposure to or de-emphasis of betas).

Its fixed-income approach includes interest rate anticipation and sector analysis, with a stress on high quality marketability. The firm adjusts term to maturity depending on its market outlook, and maintains a 30% mid-term exposure at all times.

John Mahn, senior vice president and treasurer, is the chief investment officer; K.E. Rae, investment officer-equities and pensions, is the client contact.

f

Fiscal Consultants (1982) Ltd.

1075 Bay St., Suite 905, Toronto, Ontario M5S 2B1; (416) 960-8225

Total assets managed	$250,000,000
Tax-exempt assets managed:	
Total	$200,000,000
Discretionary	$200,000,000
Minimum separate account	$2,000,000
Tax-exempt clients	14
Number of portfolio managers	4
Size of research staff	1
Types of accounts mgd	C

Tax-exempt assets at Fiscal Consultants totaled $200 million as of March 31.

The approximate asset mix was 33% Canadian stocks, 40% bonds, 20% cash and 7% U.S. stocks.

The firm has balanced and real estate capabilities.

For equity investment, its approach includes low p/e, Graham & Dodd and market timing. It is top-down and value-oriented, emphasizing asset mix, industry selection and active use of cash reserves. Capital preservation is also emphasized.

Its bond investment approach is based on interest rate anticipation. It is active management with computer-sourced spread data used extensively to trade between markets and maturities.

The firm has two clients that are pension funds of subsidiaries of U.S. firms.

L.N. Watt, president, is the chief investment officer; Huntly Christie, vice president, is the client contact.

g

The Great-West Life Assurance Co.

100 Osborne St. N., Winnipeg, Manitoba R3C 3A5; (204) 946-1190

Total assets managed	$7,200,000,000
Tax-exempt assets managed:	
Total	$4,100,000,000
Discretionary	$856,000,000
Minimum separate account	$3,500,000
Real estate assets managed:	
Equity	$150,000,000
Mortgages	$430,000,000
Tax-exempt clients	220
Number of portfolio managers	16
Size of research staff	62
Stocks followed generally	385
Stocks followed closely	190
Types of accounts mgd	CGJ

Great-West Life managed $4.1 billion in tax-exempt assets as of March 31.

The approximate asset mix was 30% Canadian stocks, 15% bonds, 10% equity real estate, 35% mortgages and 10% U.S. stocks.

The firm has equity, fixed-income, balanced and real estate capabilities.

Great-West Life uses a passive/active strategy for common stock management. The indexed core provides diversification, superior returns and efficiently implements the important timing decision. An aggressively managed U.S. fund complements the indexed core by investing in the half of the Standard & Poor's 500 index not available in Canada.

Its fixed-income approach is based on interest rate anticipation and invests the majority of the exposure in a pooled commercial and industrial mortgage fund. Capital appreciation is captured with an actively traded bond fund that has the ability to vary term quickly.

The firm has 15 clients that are pension funds of subsidiaries of U.S. firms.

Clients include Union Oil of Canada, Colgate-Palmolive Canada, Union Gas, Canadian Newspapers and Hayes-Dana.

J.R. Crysdale, senior vice president-investments, is the chief investment officer; G.N. Coopland, director-pension investments, is the client contact.

Gryphon Investment Council Inc.

2000 Peel St., Suite 710, Montreal, Quebec H3A 2W5; (514) 288-4122

Total assets managed	$466,000,000
Tax-exempt assets managed:	
Total	$123,000,000
Discretionary	$123,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	8
Number of portfolio managers	6
Size of research staff	2
Stocks followed generally	300
Stocks followed closely	100
Types of accounts mgd	CEFJ

Gryphon had $123 million invested for tax-exempt clients as of March 31.

The approximate asset mix was 53% Canadian stocks, 28% bonds, 10% cash and 9% U.S. stocks.

The firm is predominantly a balanced fund manager, with specialist funds in equities and fixed income.

Sector rotation, market timing and fundamental analysis are used in the firm's equity approach. Stock selection within sectors is dependent on in-house research.

Its fixed-income approach is based on interest rate anticipation and sector analysis. Emphasis is on active interest rate timing, with goals of preservation and enhancement of capital to maximize total return. Concentration is in high-quality marketable bonds, and cash when appropriate.

The firm has two clients that are pension funds of subsidiaries of U.S. firms.

George B. Kiddell, president, is the chief investment officer.

Guaranty Trust Co. of Canada

366 Bay St., Toronto, Ontario M5H 3N8; (416) 863-5227

Total assets managed	$483,000,000
Tax-exempt assets managed:	
Total	$483,000,000
Discretionary	$483,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	105
Number of portfolio managers	5
Stocks followed generally	200
Stocks followed closely	100
Types of accounts mgd	CFGJ

Guaranty Trust had $483 million in tax-exempt assets under management as of March 31.

The approximate asset mix was 33% Canadian stocks, 32% bonds, 10% cash, 15% mortgages and 10% U.S. stocks.

The firm has equity, balanced, real estate and foreign equity capabilities.

For real estate investments, Guaranty Pension Realty Ltd. provides a joint venture type of real estate fund. Participants are on the board of directors, working with the personnel of Guaranty Properties as their advisor and manager.

Guaranty Trust's equity approach is based on low p/e, emphasizing security selection and industry diversification.

For investing in fixed-income assets, the firm's approach is based on sector analysis. Emphasis is placed on medium-term maturity schedules, extendable and retractable options and high coupon income. Bond holdings are spread among Canadas, provincials and corporates with a minimum of an A rating.

The firm has 33 clients that are pension funds of subsidiaries of U.S. firms.

Clients include Joseph E. Seagram

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Robert K. Weller, assistant vice president, is the client contact.

Guardian Capital Investment Counsel Ltd.

Suite 500, 48 Yonge St., Toronto,
Ontario M5E 1H3; (416) 364-8341

Total assets managed	$957,000,000
Tax-exempt assets managed:	
Total	$881,000,000
Discretionary	$881,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	39
Number of portfolio managers	9
Stocks followed generally	300
Stocks followed closely	75
Types of accounts mgd	CEFJ

Guardian Capital had $881 million invested for 39 tax-exempt clients as of March 31.

The approximate mix for tax-exempt assets was 43% Canadian stocks, 24% bonds, 13% cash, 10% mortgages and 10% in U.S. and international stocks.

The firm has equity, fixed-income and balanced capabilities.

Its equity approach includes growth stock, emerging growth, low p/e, sector rotation, Graham & Dodd and market timing.

The fixed-income approach is based on interest rate anticipation and emphasizes quality and liquidity. The firm's performance depends on average term of portfolio and cash component.

The firm has 10 clients that are pension funds of subsidiaries of U.S. firms.

Clients include Boise Cascade, GTE, Ford of Canada and Sperry.

Gurston I. Rosenfeld, president, is the chief investment officer; Sally Kinnear, manager-client services, is the client contact.

h

Hodgson Roberton Laing Ltd.

199 Bay St., Suite 500, Toronto,
Ontario M5J 1L4; (416) 869-3320

Total assets managed	$600,000,000
Tax-exempt assets managed:	
Total	$180,000,000
Discretionary	$180,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	7
Number of portfolio managers	4
Size of research staff	1
Stocks followed generally	70
Stocks followed closely	30
Types of accounts mgd	CEF

Tax-exempt assets at Hodgson Roberton Laing totaled $180 million as of March 31.

The approximate mix for tax-exempt assets was 35% Canadian stocks, 40% bonds, 15% cash and 10% U.S. stocks.

The firm is a balanced manager.

Its equity approach is based on Graham & Dodd. A modified top-down approach, industry mix and security selection are key elements.

The fixed-income approach is based on interest rate anticipation. The maturity and credit schedules are actively managed.

J. Warren Laing, president, is the chief investment officer; Terry C. Buddin, vice president, is the client contact.

i

The Imperial Life Assurance Co. of Canada

95 St. Clair Ave W., Toronto, Ontario
M4V 1N7; (406) 926-2600

Total assets managed	$2,904,000,000
Tax-exempt assets managed:	
Total	$326,000,000
Discretionary	$326,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Mortgages	$72,000,000
Tax-exempt clients	287
Number of portfolio managers	12
Size of research staff	3
Stocks followed generally	100
Stocks followed closely	30
Types of accounts mgd	CJ

Imperial Life managed $326 million in tax-exempt assets as of March 31.

The approximate mix for tax-exempt assets was 30% Canadian stocks, 23% bonds, 20% cash, 22% mortgages and 5% U.S. stocks.

The firm is a balanced manager.

For equity investment, the firm's approach is based on growth stock and market timing. It features a top-down approach to market sectors and fundamental analysis of individual securities, emphasizing sectors and securities that show the greatest potential for growth.

The Imperial Life Assurance Co.'s fixed-income approach is based on interest rate anticipation and includes an active bond management style based on interest rate and yield spread analyses.

It emphasizes highly liquid, high-quality government issues, selected corporates, cash and short-term vehicles.

Clients include Brewer's Warehouse, Hatch Associates and Interprovincial Steel and Pipe.

J.B. Purdy, senior vice president-investments, is the chief investment officer.

Brian H. Cope, director of marketing-segregated funds, is the client contact at (416) 926-2646.

Investors Group Trust Co. Ltd.

280 Broadway, Winnipeg, Manitoba
R3C 3B6; (204) 943-0361

Total assets managed	$3,000,000,000
Tax-exempt assets managed:	
Total	$605,000,000
Discretionary	$605,000,000
Minimum separate account	$4,000,000
Real estate assets managed:	
Mortgages	$1,225,000,000
Tax-exempt clients	283
Number of portfolio managers	9
Size of research staff	4
Stocks followed generally	55
Stocks followed closely	30
Types of accounts mgd	CGJ

The Investors Group had $604.5 million in tax-exempt assets under management as of March 31.

The approximate mix for tax-exempt assets was 30.7% Canadian stocks, 36.7% bonds, 6% cash, 17.3% mortgages and 9.3% in U.S. and Japanese stocks.

The firm has equity, fixed-income, balanced, foreign and master trustee capabilities.

Its equity approach includes sector rotation, modern portfolio theory and market timing. The firm uses a conservative stock selection process emphasizing industry sector rotation and liquidity factors to maximize capital appreciation potential without assuming undue risk.

The fixed-income approach includes interest rate anticipation, sector analysis, spread trading, and sinking fund corporation foreign-pay bonds. It blends an actively traded,

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high-quality bond portfolio with mortgages, altering the ratio depending on interest-rate spreads and the state of the economic cycle.

One client is the pension fund of a subsidiary of a U.S. firm.

The chief investment officer is P.E. Newman, senior vice president-investment; the client contact is W.H. Cunningham, vice president.

j

Jarislowsky, Fraser & Co. Ltd. Investment Counsel

Suite 1501, 65 Queen St. W., Toronto, Ontario M5H 2M5; (416) 363-7417

Total assets managed	$1,500,000,000
Tax-exempt assets managed:	
Total	$1,500,000,000
Discretionary	$1,500,000,000
Minimum separate account	$500,000
Real estate assets managed:	
Mortgages	$30,000,000
Tax-exempt clients	68
Number of portfolio managers	7
Size of research staff	5
Stocks followed generally	140
Stocks followed closely	100
Types of accounts mgd	CEFJ

Jarislowsky, Fraser & Co. had $1.5 billion invested for 68 tax-exempt clients as of March 31.

The approximate mix of those assets was 35% Canadian stocks, 43% bonds, 7% cash, 2% mortgages and 13% U.S. stocks.

The firm offers equity, fixed-income and balanced capabilities.

Its equity approach, which includes Graham & Dodd, modern portfolio theory and market timing, is fundamentalist. The firm conducts its own research and follows a strict adherence to its investment model and proven methodology.

The fixed-income approach is based on economic analysis of interest rate trends and an application of the criteria of safety of principal, the average term and optimization of yield.

The firm has 10 clients that are pension funds of subsidiaries of U.S. firms.

Clients include McGill University, Reader's Digest, Abitibi-Price, Queen's University and Hiram Walker Resources.

Stephen A. Jarislowsky, president, is the chief investment officer; Lorne T. Wickerson, partner, is the client contact.

JRF Financial Consultants Ltd.

56 Sparks St., Suite 803, Ottawa, Ontario K1P 5A9; (613) 236-7361

Total assets managed	$341,200,000
Tax-exempt assets managed:	
Total	$341,200,000
Discretionary	0
Real estate assets managed:	
Equity	$29,000,000
Mortgages	$95,000,000
Tax-exempt clients	6
Number of portfolio managers	2
Size of research staff	2
Stocks followed generally	80
Stocks followed closely	40
Types of accounts mgd	CEFG

Tax-exempt assets at JRF Financial Consultants totaled $341.2 million as of March 31.

The approximate mix of tax-exempt assets was 35% Canadian stocks, 17.6% bonds, 2.9% cash 8.4% equity real estate, 27.8% mortgages, 7.1% U.S. stocks, 1.1% in direct oil and gas investments; and 0.1% in venture capital.

The firm is an investment counsel.

For equity investment, shares of companies with the best long-term growth in terms of earnings and dividends are purchased regularly during a number of years.

Its fixed-income approach is passive. Fixed-income assets are sold when reinvested proceeds can produce higher cash flow to the pension fund. The objective is to maximize income over the long term, consistent with maintaining safety of principal.

Clients include Canadian 4-H Foundation, Canadian Wildlife Foundation, Japanese Studies Trust Fund, Canada Mortgage and Housing Corp. and the City of Ottawa Superannuation Fund.

John R. Ferguson, president, is the chief investment officer; Kevin Charlebois, vice president, is the client contact.

k

Kingwest Portfolio Management

Suite 7245, 1 First Canadian Place, Toronto, Ontario M5X 4A4; (416) 364-1503

Total assets managed	$120,000,000
Tax-exempt assets managed:	
Total	$85,000,000
Discretionary	$85,000,000
Minimum separate account	$500,000
Real estate assets managed:	
Mortgages	$10,000,000
Tax-exempt clients	7
Number of portfolio managers	2
Size of research staff	3
Stocks followed generally	300
Stocks followed closely	50
Types of accounts mgd	CJ

Kingwest managed $85 million in tax-exempt assets as of March 31.

The approximate mix of tax-exempt assets was 20% Canadian stocks, 60% bonds, 10% cash and 10% mortgages.

The firm is a balanced manager.

Its equity approach includes sector rotation, modern portfolio theory and market timing.

Its fixed-income approach emphasizes interest rate anticipation.

The firm has six clients that are pension funds of subsidiaries of U.S. firms.

Peter A. Dennis, managing director, is the chief investment officer and the client contact.

Knight, Bain, Seath & Holbrook Capital Management

8 King St. E., Suite 1500, Toronto, Ontario M5C 1B5; (416) 863-1433

Total assets managed	$440,000,000
Tax-exempt assets managed:	
Total	$440,000,000
Discretionary	$440,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	23
Number of portfolio managers	4
Stocks followed generally	150
Stocks followed closely	50
Types of accounts mgd	CFJ

The firm had $440 million in tax-exempt assets under management as of

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Vanbrit Investment Management
Larry Avant
604-687-1393

European & Pacific Investment Management
Brien Gillespie
604-687-7306

March 31.

The approximate mix of tax-exempt assets was 15% Canadian stocks, 57% bonds, 11% cash, 1% mortgages and 16% U.S. stocks.

For equity investment, a disciplined, fundamental approach is followed to select stocks, using financial criteria to screen for value, as represented both by earnings potential and underlying assets.

Active management, using high-grade, marketable issues is the basis for the fixed-income approach. Major changes in average term are made in anticipation of interest rate moves.

The firm has three clients that are pension funds of subsidiaries of U.S. firms.

Clients include Northern Telecom, Coca-Cola, TransCanada PipeLines, and Procter & Gamble.

The principals are the chief investment officers. Herbert N. Seath and David Knight are the client contacts.

I

Laketon Investment Management

P.O. Box 31, Suite 1830, Royal Bank Plaza, North Tower, Toronto, Ontario M5J 2J1; (416) 868-1380

Total assets managed	$285,000,000
Tax-exempt assets managed:	
Total	$260,000,000
Discretionary	$260,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	7
Number of portfolio managers	5
Stocks followed generally	100
Stocks followed closely	40
Types of accounts mgd	CFJ

Laketon managed $260 million in tax-exempt assets as of March 31.

The firm has equity, fixed-income and balanced capabilities.

For equity investment, the firm emphasizes sector rotation and market timing. A top-down approach is used to identify specific industry groups. Stock selection is confined to high-quality, readily marketable vehicles. The timing is assisted by technical analysis.

The fixed-income approach uses interest rate anticipation and relative value trades. Bond portfolios are managed actively on a day-to-day basis to effect relative value trades. For the longer term, maturity schedules are adjusted to reflect the outlook for interest rate trends. Duration analysis is emphasized in fixed-income investment decisions and immunization strategies.

The firm has one client that is a pension fund of a subsidiary of a U.S. firm.

Clients include Cominco, City of Edmonton, Gulf Canada and the Canadian Allied Wholesale & Retail Union.

Alden S. White, managing partner, is the chief investment officer and the client contact.

Lank Roberton Macaulay

Suite 775 1801 McGill College Ave., Montreal, Quebec H3A 2N4; (514) 288-8136

Total assets managed	$200,000,000
Tax-exempt assets managed:	
Total	$80,000,000
Discretionary	$80,000,000
Minimum separate account	$250,000
Tax-exempt clients	30
Number of portfolio managers	6
Size of research staff	4
Stocks followed generally	300
Stocks followed closely	100
Types of accounts mgd	CEF

Tax-exempt assets at Lank Roberton Macaulay totaled $80 million as of March 31.

The approximate mix of tax-exempt assets was 35% Canadian stocks, 40% bonds, 10% cash, 5% mortgages and 10% U.S. stocks.

Lank Roberton Macaulay is a balanced manager.

Its equity approach includes growth stock, emerging growth and low p/e. The firm concentrates on senior and junior growth companies with proven track records. Selection is based on a low current multiple and where the multiple can expand if market perception changes.

Its fixed-income approach is passive and based on interest rate analysis. The average term to maturity of cash, bonds and mortgages is kept closely in line with the average of pension funds. Spreads between securities are constantly monitored and cash flows are invested to capitalize on spread opportunities.

The firm has one client that is a pension fund of a subsidiary of a U.S. firm.

The partners are the chief investment officers.

Lindsay, McKelvey & Co. Ltd.

101 Richmond St. W., Suite 1108, Toronto, Ontario M5H 1T1; (416) 362-4221

Total assets managed	$104,000,000
Tax-exempt assets managed:	
Total	$58,000,000
Discretionary	$58,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	9
Number of portfolio managers	2
Stocks followed generally	100
Stocks followed closely	25
Types of accounts mgd	CFJ

Lindsay, McKelvey & Co. managed $58 million in tax-exempt assets as of March 31.

The approximate mix of tax-exempt assets was 17% Canadian stocks, 66% bonds, 5% cash, 2% mortgages and 10% U.S. stocks.

The firm is a balanced manager.

For equity investment, the firm emphasizes growth stock and fundamentals, using a top-down, broad approach that looks outside of Canada. It has a strong U.S. capability. The firm anticipates major shifts, concentrating on the asset mix and avoiding overdiversification.

Its fixed-income approach is based on interest rate anticipation. The firm maintains quality, predicts major rate changes and uses some trading.

R.S. Stuart, president, is the chief investment officer.

P.S. Horgan, vice president, is the client contact.

London Life Insurance Co.

255 Dufferin Ave., London, Ontario N6A 4K1; (519) 432-5281

Total assets managed	$4,329,000,000
Tax-exempt assets managed:	
Total	$650,000,000
Discretionary	$650,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	3,054
Number of portfolio managers	6
Size of research staff	2
Stocks followed generally	100
Stocks followed closely	60
Types of accounts mgd	CJ

London Life had $650 million in tax-exempt assets under management as of March 31.

The approximate mix of tax-exempt assets was 40% Canadian stocks, 40% bonds and 20% mortgages.

The firm is a balanced manager.

Its equity approach includes sector rotation, Graham & Dodd and market timing. The firm employs a combination of techniques that entails the blending of top-down strategy with bottom-up fundamental security analysis.

Its fixed-income approach is based on interest rate anticipation and sector analysis. The firm employs an investment strategy dictated by its liabilities profile, and trades the yield curve and spread between asset classes.

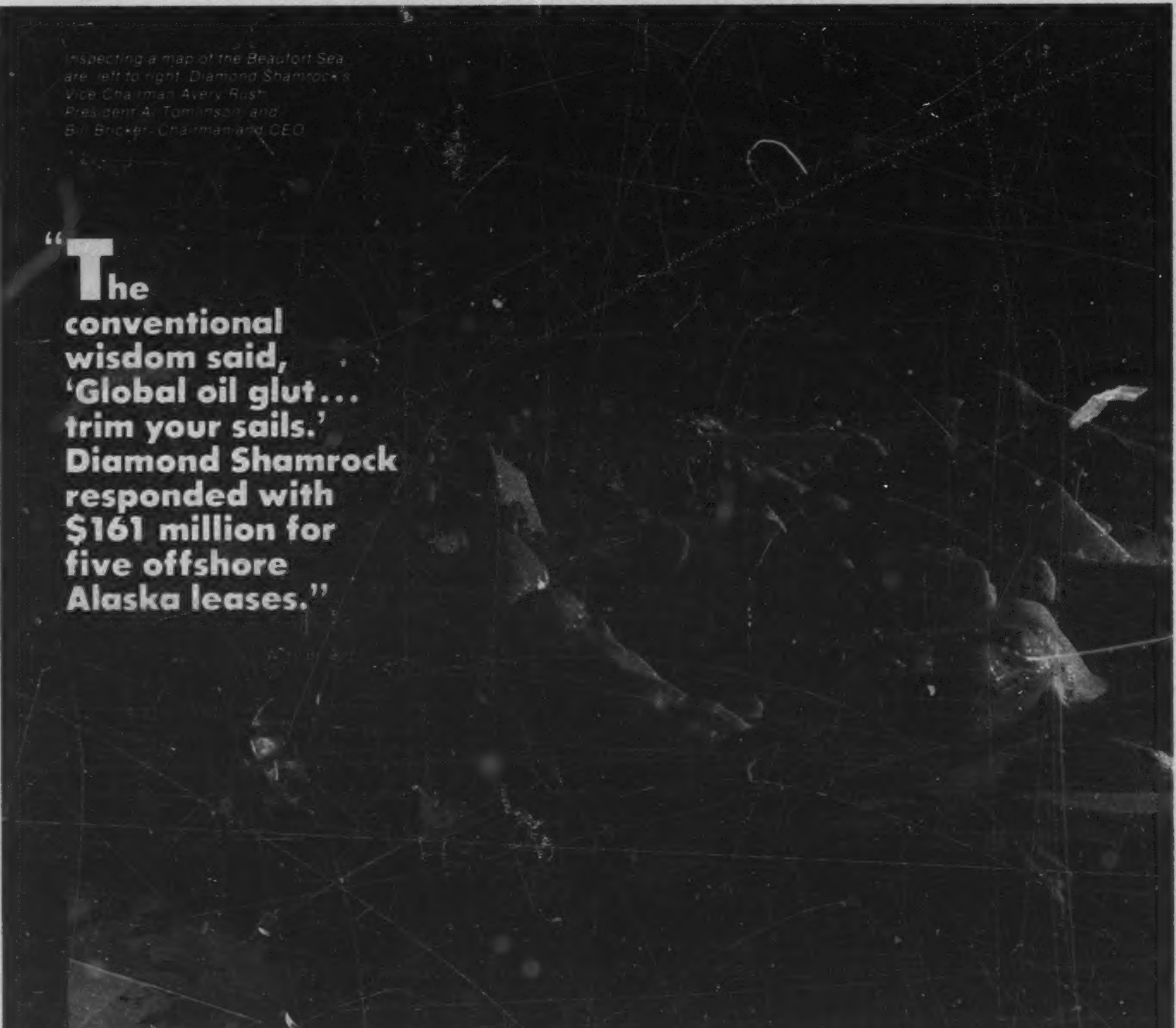
Tom Allen, vice president-investments, is the chief investment officer; Jack Littlehales, director-group sales, is the client contact.

Loucks, Lee & Associates Ltd.

#770 602 12th Ave. S.W., Calgary, Alberta T2R 1J3; (403) 269-4873

Total assets managed	$16,000,000
Tax-exempt assets managed:	
Total	$8,000,000
Discretionary	$8,000,000
Tax-exempt clients	4
Number of portfolio managers	1
Size of research staff	1
Types of accounts mgd	CF

Tax-exempt assets at Loucks, Lee & Associates totaled $8 million as of March 31.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Diamond Shamrock Corporation,
Dallas, Texas 75201

The approximate mix of tax-exempt assets was 40% Canadian stocks, 40% bonds, 10% cash and 10% U.S. stocks.

The firm is a balanced manager.

Equities selected are tailored to the client's objectives and the times.

The firm's investment emphasis for its clients is on absolute returns and risk control.

Its fixed income approach is active, with emphasis on quality and special features.

The firm has one client that is a pension fund of a subsidiary of a U.S. firm.

T.H. Loucks, president, is the chief investment officer and the client contact.

m

Managed Investments Ltd.

900-10117 Jasper Ave., Edmonton,
Alberta, T5J 1W8; (403) 423-3544

Total assets managed	$108,000,000
Tax-exempt assets managed:	
Total	$69,000,000
Discretionary	$69,000,000
Minimum separate account	$200,000
Real estate assets managed:	
Mortgages	$1,000,000
Tax-exempt clients	3
Number of portfolio managers	2
Stocks followed generally	100
Types of accounts mgd	CFJ

Managed Investments had $69 million in tax-exempt assets under management as of March 31.

The approximate mix of tax-exempt assets was 15% Canadian stocks, 75% bonds and 10% U.S. stocks.

The firm is a balanced manager.

Its equity approach is based on analysis of fundamental values and earnings trends to uncover good relative values. Technical analysis, Graham & Dodd, low p/e, and modern portfolio theory are used.

Its fixed-income is based on interest rate anticipation and sector analysis and emphasizes liquidity of high grade areas, using a modified ladder approach. However, it does not believe interest rate anticipation techniques are reliable for the long term.

R. Bruce Sansom, president, is chief investment officer and client contact.

The Manufacturers Life Insurance Co.

200 Bloor St. E., Toronto, Ontario
M4W 1E5; (416) 928-6439

Total assets managed	$2,260,000,000
Tax-exempt assets managed:	
Total	$850,000,000
Discretionary	$800,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Mortgages	$10,000,000
Tax-exempt clients	265
Number of portfolio managers	8
Stocks followed generally	400
Stocks followed closely	100
Types of accounts mgd	CEFGJ

Manufacturers Life managed $850 million in tax-exempt assets as of March 31.

The approximate mix of tax-exempt assets was 26% Canadian stocks, 33% bonds, 29% cash and 12% U.S. stocks.

The firm has equity, fixed-income, balanced and real estate capabilities.

For equity investment, the firm's primary emphasis is on market timing. Subsequent to "market decision," a combination fundamental/technical approach is used in sector and individual security selection.

Its fixed-income approach relies on interest rate anticipation based on economic analysis, with continuous, active management.

The firm has 36 clients that are pension funds of subsidiaries of U.S. firms.

Clients include Union Carbide, Ford Motor, Sherbrooke University, Manitoba Health Organizations and General Telephone.

Thomas A. Di Giacomo, senior vice president-investments, is the chief investment officer; Graham S. Rennie, assistant vice president-investment marketing, is the client contact.

McLean, Budden Ltd.

360 Bay St., Suite 801, Toronto,
Ontario M5H 2V6; (416) 862-9800

Total assets managed	$1,044,000,000
Tax-exempt assets managed:	
Total	$730,000,000
Discretionary	$560,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Mortgages	$28,000,000
Tax-exempt clients	26
Number of portfolio managers	11
Stocks followed generally	300
Stocks followed closely	100
Types of accounts mgd	CEFJ

As of March 31, McLean, Budden had $720 million invested for 26 tax-exempt clients.

The approximate mix of those assets was 31% Canadian stocks, 43% bonds, 12% cash, 3% mortgages and 11% U.S. stocks.

The firm has equity, fixed-income and balanced capabilities.

Its equity approach is based on growth stock and sector rotation. Long-term fundamentals are stressed, with capital appreciation receiving primary emphasis. It de-emphasizes short-term trading and emphasizes major market swings. It views market timing as an element in long-term investment strategy.

Its fixed-income approach is based on interest rate anticipation and sector analysis. Bond portfolios are actively managed, trading against major cyclical swings. Fixed-income analysis focuses on prospective returns from maturity classes and sector analysis. Term decisions are based on the duration of the bond portfolio.

The firm has four clients that are pension funds of subsidiaries of U.S. firms.

Rodney Donald, chairman, is the chief investment officer; Wayne D. Beazer, vice president, is the client contact.

Montreal Investment Management

1130 Sherbrooke St. W., Montreal,
Quebec H3A 2S7; (514) 286-4500

Total assets managed	$1,058,000,000
Tax-exempt assets managed:	
Total	$672,000,000
Discretionary	$672,000,000
Minimum separate account	$3,000,000
Tax-exempt clients	39
Number of portfolio managers	7
Stocks followed generally	225
Stocks followed closely	100
Types of accounts mgd	CEFGJ

Tax-exempt assets at Montreal Investment totaled $672 million as of March 31.

The approximate mix of tax-exempt assets was 35% Canadian stocks, 50% bonds, 5% equity real estate, 7% U.S. stocks and 3% international.

The firm is a balanced manager. It also has equity and fixed-income specialty accounts and real estate capability.

Its equity approach includes growth stock, market timing and direct research. Its equity research is directed toward midsize growth companies, which form the majority of the equity content. Cyclical companies are used in recoveries.

Its fixed-income approach consists of a core portion to which sector analysis applies most strongly and a trading portion, where interest rate anticipation is most important.

The firm has six clients that are pension funds of subsidiaries of U.S. firms.

Carl Otto, chairman, is the chief investment officer; Michael Burpee is the client contact at (514) 286-4509.

Montreal Trust Pension Investment Services

15 King St. W., Toronto, Ontario M5H
1B4; (416) 362-6363

Total assets managed	$2,447,000,000
Tax-exempt assets managed:	
Total	$2,198,000,000
Discretionary	$1,512,000,000

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Dominion Securities Ames Limited
Dresdner Bank Aktiengesellschaft
Hambros Bank Limited
Merrill Lynch International & Co.
Salomon Brothers International
Société Générale de Banque S.A.
Wood Gundy Limited

Minimum separate account	$2,000,000
Real estate assets managed:	
Mortgages	$200,000,000
Tax-exempt clients	668
Number of portfolio managers	15
Size of research staff	8
Stocks followed generally	250
Stocks followed closely	150
Types of accounts mgd	CJ

Montreal Trust had $2.2 billion in tax-exempt assets under management as of March 31.

The approximate mix of tax-exempt assets was 25% Canadian stocks, 45% bonds, 5% cash, 15% mortgages and 10% U.S. stocks.

The firm has equity, fixed-income and balanced capabilities.

Montreal Trust's equity approach includes sector rotation, Graham & Dodd and market timing.

Its decision on an industry (and company) will be a function of how the specific industry will be effected by the firm's current and projected view of the economy.

For fixed income, it uses interest rate anticipation. Montreal Trust believes that anticipating shifts in the yield curve is the key to active bond management. The bond portfolios are structured to take advantage of changes in the yield curve and the dimension of those changes. Its expectational strategy emphasizes quality, term, coupon, duration and marketability.

Of the 250 stocks that the firm follows generally, 150 are Canadian and 100 are U.S.

Of the 150 stocks that the firm follows closely, 100 are Canadian and 50 are U.S.

Approximately 40% of Montreal Trust's clients are pension funds of subsidiaries of U.S. firms.

Norman Cunningham, vice president-investment management services, is the chief investment officer; N.J. ("Jack") Amos, marketing manager-pension investment services, is the client contact.

Morguard Investments Ltd.
6 Crescent Road, Toronto, Ontario
M4W 3K9; (416) 967-0880

Total assets managed	$3,720,000,000
Tax-exempt assets managed:	
Total	$3,205,000,000
Discretionary	$400,000,000
Real estate assets managed:	
Equity	$1,100,000,000
Mortgages	$2,578,000,000
Tax-exempt clients	415
Number of portfolio managers	26
Size of research staff	65
Types of accounts mgd	CEFGJ

Tax-exempt assets at Morguard Investments totaled $3.2 billion as of March 31.

The approximate mix for these assets was 34% equity real estate, 65% mortgages and 1% in oil and gas. The firm is a real estate manager and mortgage manager.

Its clients include Ontario Workmen's Compensation Fund, Air Canada, Northern Telecom, Alberta Government Telephones and Shell Canada.

D.D. Weiss, executive vice president-mortgage division, and A.K. Stephens, executive vice president-property division, are chief investment officers.

H.S. Dougan, senior vice president-business development, mortgage division, and W.A. Houghton, senior vice president-investments, property division, are the client contacts at Morguard Investments.

Mu-Cana Investment Counselling Ltd.
227 King St. S., Waterloo, Ontario
N2J 4C5; (519) 888-2750

Total assets managed	$899,000,000
Tax-exempt assets managed:	
Total	$789,000,000
Discretionary	$789,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	46
Number of portfolio managers	7
Stocks followed closely	150
Types of accounts mgd	CEFGJ

Mu-Cana had $789 million invested for 46 tax-exempt clients as of March 31.

The approximate mix of those assets was 35% Canadian stocks, 50% bonds, 5% mortgages and 10% U.S. stocks.

The firm is a balanced manager.

Mu-Cana Investment Counseling's equity approach is based on Graham & Dodd and market timing. The firm works top-down and integrates its equity and fixed-income strategy into an overall asset mix. Strong stands are taken on industry weightings and holdings.

For fixed-income management, Mu-Cana rates duration management and quality levels far higher than trading gains and makes use of private placements, stripped bonds and Canadian-issue U.S. dollar denominations.

The firm has nine clients that are pension funds of subsidiaries of U.S. firms.

Clients include Gates Canada, Joy Manufacturing, General Foods and Pillsbury.

H.E. Brough, senior vice president-investment operations, is the chief investment officer.

David M. Paleczny, senior vice president-marketing, is the client contact at (519) 888-2465.

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has joined our firm as

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84 State Street • Boston, Massachusetts 02109
(617) 720-4220

Mutual Life of Canada
227 King St. S., Waterloo, Ontario
N2J 4C5; (519) 888-2476

Total assets managed	$4,000,000,000
Tax-exempt assets managed:	
Total	$684,000,000
Discretionary	$534,000,000
Minimum separate account	$5,000,000
Tax-exempt clients	1,000
Number of portfolio managers	10
Size of research staff	7
Stocks followed closely	150
Types of accounts mgd	CGJ

Tax-exempt assets at Mutual Life totaled $684 million as of March 31.

The approximate mix of tax-exempt assets was 30% Canadian stocks, 50% bonds, 2% cash, 8% mortgages and 10% U.S. stocks.

The firm has equity, fixed-income and balanced capabilities.

Its equity approach is based on Graham & Dodd and market timing. A top-down approach is followed beginning with asset mix, exposure to Canadian and U.S. markets and emphasis on industries that will benefit from the firm's economic and market outlook.

Its fixed-income approach emphasizes interest rate anticipation. It has a conservatively managed, actively traded pooled fund, an aggressively managed fund and tailored separate accounts.

Approximately 50 of the firm's clients are pension funds of subsidiaries of U.S. firms.

Clients include Alberta Natural Gas, Bendix, Honda and Levi Strauss.

Duncan R. Winhold, senior vice president, is the chief investment officer; Ellery E. Thorsteinson, manager-pension investments, is the client contact.

n

The National Life Assurance Co. of Canada
522 University Ave., Toronto, Ontario
M5G 1Y7; (416) 598-2122

Total assets managed	$785,000,000
Tax-exempt assets managed:	
Total	$138,000,000
Discretionary	$115,000,000
Minimum separate account	$1,000,000
Real estate assets managed:	
Mortgages	$[illegible]3,000,000
Tax-exempt clients	65
Number of portfolio managers	4
Stocks followed generally	30
Stocks followed closely	60
Types of accounts mgd	CG

National Life managed $138 million in tax-exemt assets as of March 31.

The approximate mix of tax-exempt assets was 30% Canadian stocks, 40% bonds, 10% cash, 10% mortgages and 10% U.S. stocks.

The firm has equity, fixed-income and balanced capabilities.

Its equity approach includes growth stock, low p/e, sector rotation and market timing. The approach is generalist, selecting undervalued growth securities and using market timing in the purchases. The firm rounds out the Canadian industry positions with selected foreign equities.

Its fixed-income approach is based on interest rate anticipation and sector analysis. The firm specializes in active management of portfolios of short- and long-term bonds in order to minimize price volatility while maintaining income, thereby achieving a consistency of rates of return.

The firm has two clients that are pension funds of subsidiaries of U.S. firms.

T.L. Dea, investment vice president, is the chief investment officer; Howard Shill, director-pension investment services, is the client contact.

National Trust Co. Ltd.
21 King St. E., Toronto, Ontario M5C
1B3; (416) 364-9141

Total assets managed	$1,700,000,000
Tax-exempt assets managed:	
Total	$1,000,000,000
Discretionary	$800,000,000
Minimum separate account	$3,000,000
Real estate assets managed:	
Mortgages	$135,000,000
Tax-exempt clients	250
Number of portfolio managers	9
Size of research staff	3
Stocks followed generally	300
Stocks followed closely	130
Types of accounts mgd	CEFGJ

Tax-exempt assets at National Trust totaled $1 billion as of March 31.

The approximate mix of tax-exempt assets was 35% Canadian stocks, 35% bonds, 10% cash, 10% mortgages and 10% U.S. stocks.

The firm has balanced and specialty capabilities.

Its equity approach emphasizes modern portfolio theory, selecting stocks on individual merit rather than by industry group. National Trust relies heavily on fundamental analysis to establish underlying value and to assess risk.

Its fixed-income approach is based on interest rate forecasts and expected changes in the yield curve. Core holdings are short- and medium-term extendibles, while the long term component is traded aggressively.

More than 100 of the firm's clients are pension funds of subsidiaries of U.S. firms.

E.A. Walker, senior vice president-investments, is the chief investment officer; D.D. Landreville, vice president-employee benefit department, is the client contact.

p

Phillips Hager & North Ltd.
1055 W. Hastings St., Vancouver,
British Columbia V6E 2H3; (604)
684-4361

Total assets managed	$2,000,000,000
Tax-exempt assets managed:	
Total	$1,700,000,000
Discretionary	$1,700,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Mortgages	$200,000,000
Tax-exempt clients	80
Number of portfolio managers	4
Size of research staff	4
Stocks followed generally	300
Stocks followed closely	100
Types of accounts mgd	CEJ

Phillips Hager & North managed $1.7 billion in tax-exempt assets as of March 31.

The approximate mix of tax-exempt assets was 40% Canadian stocks, 30% bonds, 10% cash, 10% mortgages and 10% U.S. stocks.

The firm is a balanced manager.

It emphasizes sector rotation in its equity approach, concentrating on companies with above-average records and superior return on equity. It

This announcement appears as a matter of record only.

June 30, 1983
Selected Year-To-Date 1983 Sales

$104,000,000. approximate FNMA variable rate mortgage backed securities.	$ 5,100,000. approximate Short term first mortgage loans.
$ 8,300,000. approximate 15 year fully amortized second mortgage loans.	$ 4,300,000. approximate 15 year fully amortized second mortgage loans.
$ 1,000,000. approximate 15 year fully amortized second mortgage loans.	$ 2,000,000. approximate 30 year amortized first mortgage loans.
$ 5,000,000. approximate 15 year fully amortized second mortgage loans.	$ 30,000,000. approximate 15 year fully amortized second mortgage loans.
$ 4,000,000. approximate Variable rate first mortgage loans.	$ 6,200,000. approximate Short term first mortgage loans.
$ 4,300,000. approximate Deep discount residential mortgage loans.	$ 3,300,000. approximate 30 year fully amortized first mortgage loans.
$ 8,300,000. approximate 15 year fully amortized second mortgage loans.	$ 4,900,000. approximate Short term first mortgage loans.
$ 7,800,000. approximate Deep discount commercial mortgage loans.	$ 5,200,000. approximate Short term first mortgage loans.
$ 6,600,000. approximate Short term first mortgage loans.	$ 2,700,000. approximate Adjustable rate first mortgage loans.
$ 10,000,000. approximate Short term first mortgage loans.	$ 25,000,000. approximate Adjustable rate commercial mortgage loans.

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tends to stress lower p/es, and generally invests for a two- to three-year time horizon.

Its fixed-income approach is based on interest rate anticipation. The firm attempts to invest for major cyclical changes in interest rates and does not actively trade the bond portfolio.

The firm has 30 clients that are pension funds of subsidiaries of U.S. firms.

R.S. Hager, president, is the chief investment officer and the client contact.

Prudential Assurance Co. Ltd., Pension Fund Management

Suite 203/300, 141 Adelaide St. W.,
Toronto, Ontario M5H 3L9; (415) 368-8041

Total assets managed	$1,650,000,000
Tax-exempt assets managed:	
Total	$225,000,000
Discretionary	$80,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Equity	$2,000,000
Mortgages	$8,000,000
Tax-exempt clients	155
Number of portfolio managers	6
Size of research staff	1
Stocks followed generally	150
Stocks followed closely	75
Types of accounts mgd	C

Tax-exempt assets at Prudential totaled $225 million as of March 31.

The approximate mix of tax-exempt assets was 40% Canadian stocks, 30% bonds, 5% cash, 5% equity real estate, 10% mortgages and 10% U.S. stocks.

The firm is a balanced manager.

Its equity approach is based on Graham & Dodd. The firm, which concentrates on marketable Canadian stocks and weights industries against index sub-groups, is fundamentalist in selection and an active trader. Its U.S. stock portfolio's construction and activity is heavily dependent on quantitative analysis.

Its fixed-income approach is based on interest rate anticipation. Portfolios are well-diversified, very actively traded and the average term is aggressively managed, reflecting business and interest rate expectations.

The firm has 11 clients that are pension funds of subsidiaries of U.S. firms.

J.A. Crocker, vice president-investments, is the chief investment officer; K. Kukkonen, pension sales manager, is the client contact.

Reed Monahan Nicholishen Investment Counsel

20 Victoria St., Suite 705, Toronto,
Ontario M5C 2N8; (416) 365-0038

Total assets managed	$25,000,000
Tax-exempt assets managed:	
Total	$17,000,000
Discretionary	$17,000,000
Minimum separate account	$1,000,000
Tax-exempt clients	4
Number of portfolio managers	3
Stocks followed generally	100
Stocks followed closely	40
Types of accounts mgd	C

Reed Monahan Nicholishen managed $17 million in tax-exempt assets as of March 31.

The approximate mix of tax-exempt assets was 35% Canadian stocks, 50% bonds, 5% cash and 10% U.S. stocks.

The firm is a balanced manager. It also has real estate capabilities.

Its equity approach includes growth stock, emerging growth and Graham & Dodd, with analysis of specific industry groups and management interviews of emerging growth companies. Automatic review of holdings is triggered by evaluation screens and price target disciplines.

Its fixed-income assets are managed by shifting portfolio quality and maturity schedules based on anticipated interest rate changes. It is an active approach, using high-grade and marketable issues.

The firm has one client that is a pension fund of a subsidiary of a U.S. firm.

Donald F. Reed, president, is the chief investment officer and the client contact.

Royal Trust

P.O. Box 7500, Station A, Toronto,
Ontario M5W 1P9; (416) 867-2403

Total assets managed	$9,400,000,000
Tax-exempt assets managed:	
Total	$4,200,000,000
Discretionary	$4,200,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Equity	$250,000,000
Mortgages	$758,000,000
Tax-exempt clients	1,479
Number of portfolio managers	57
Size of research staff	20
Stocks followed generally	250
Stocks followed closely	200
Types of accounts mgd	CEFGJ

Royal Trust had $4.2 billion in tax-exempt assets under management as of Dec. 31, 1982.

The approximate mix of tax-exempt assets was 36% Canadian stocks, 25% bonds, 7% equity real estate, 17% mortgages, 10% U.S. stocks and 5% in energy.

The firm has equity, fixed-income, balanced, real estate and energy capabilities.

The firm's equity approach includes growth stock, sector rotation and Graham & Dodd. With the assistance of in-house research, portfolio managers identify strategies and securities that perform best in the forecast market environment. Risk is carefully controlled.

Its fixed-income approach includes interest rate anticipation and sector analysis. Extensive in-house quantitative and qualitative research is done. Mortgages form a substantial part of the debt sector.

Clients include Stelco, Kodak Canada, General Motors of Canada, Volvo Canada and IBM Canada.

B. Lee Bentley, vice president-trust investments, is the chief investment officer; James A. Gordon, assistant vice president-corporate development, pension trust services, is the client contact.

Ruggles & Crysdale

Royal Bank Plaza, Postal Station 'A',
Box 4015, Toronto, Ontario M5W 2J3; (416) 865-0460

Total assets managed	$932,000,000
Tax-exempt assets managed:	
Total	$920,000,000
Discretionary	$920,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	22
Number of portfolio managers	3
Size of research staff	2
Stocks followed generally	100
Stocks followed closely	60
Types of accounts mgd	CJ

Ruggles & Crysdale managed $920 million in tax-exempt assets as of March 31.

The approximate mix of tax-exempt assets was 50% Canadian stocks, 20% bonds, 18% cash, 2% mortgages and 10% U.S. stocks.

The firm has equity, fixed-income and balanced capabilities.

Its equity approach is based on emerging growth and sector rotation. Emerging growth stocks are mixed with more mature optionable stocks to form a leveraged portfolio that can be tilted to either bull or bear market trends.

For fixed-income management, the firm has an active trading approach based on expected interest rate moves using liquid government bonds as the vehicle. Bond options are written to increase return and hedge long maturity positions.

The firm has seven clients that are pension funds of subsidiaries of U.S. firms.

Robert T. Ruggles, chairman, is the chief investment officer; R. Bruce Taylor, vice president, is the client contact.

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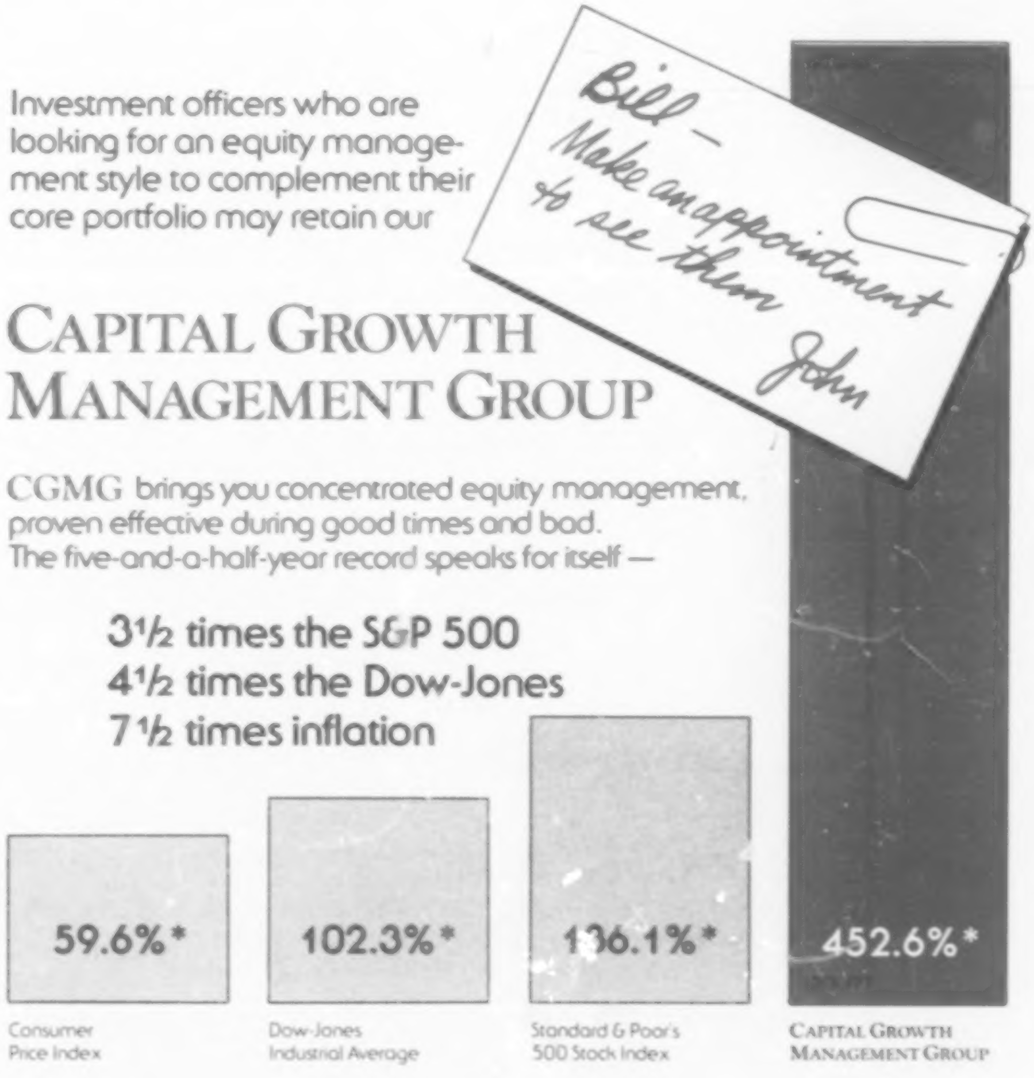

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*These figures show the total return as of 6/30/83 of investments made on 12/31/77. The figure for the CGMG represents the average of accounts managed during this period and includes reinvestment of all dividends. The figures for the S&P 500 and the Dow Jones Industrial Average — widely recognized indices of stock market performance (based on an unmanaged group of stocks) — include the reinvestment of all dividend distributions. These figures are not necessarily an indication of future results.

S

Sceptre Investment Counsel Ltd.

Suite 802, 40 University Ave.,
Toronto, Ontario M5J 2G1; (416) 977-6111

Total assets managed	$1,170,000,000
Tax-exempt assets managed:	
Total	$1,100,000,000
Discretionary	$1,100,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	52
Number of portfolio managers	7
Size of research staff	4
Stocks followed generally	200
Stocks followed closely	130
Types of accounts mgd	CFJ

Tax-exempt assets at Sceptre totaled $1.1 billion as of March 31.

The approximate mix of tax-exempt assets was 40% Canadian stocks, 40% bonds, 5% cash, 5% mortgages and 10% U.S. stocks.

The firm has equity, fixed-income and balanced capabilities.

Sceptre Investment Counsel Ltd.'s equity approach emphasizes sector rotation and Graham & Dodd.

Its fixed-income approach focuses on quality extendible issues.

J. Douglas Grant, president, is the chief investment officer; George B. Turnbull, vice president, is the client contact at (416) 977-6118.

Standard Life Assurance Co.

1245 Sherbrooke St. W., Montreal,
Quebec H3B 1G3; (514) 284-6711

Total assets managed	$3,300,000,000
Tax-exempt assets managed:	
Total	$2,002,000,000
Discretionary	$2,002,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Equity	$23,000,000
Mortgages	$94,000,000
Tax-exempt clients	271
Number of portfolio managers	8
Size of research staff	4
Stocks followed generally	120
Stocks followed closely	50
Types of accounts mgd	CJ

Standard Life had $2 billion in assets invested for 271 tax-exempt clients as of March 31.

The approximate mix of tax-exempt assets was 45% Canadian stocks, 30% bonds, 13% cash, 5% mortgages and 7% U.S. stocks.

The firm has equity, fixed-income and real estate capabilities.

Its equity approach includes emerging growth, sector rotation and Graham & Dodd. Standard Life traditionally has emphasized the long-term value of equities as opposed to other traditional asset classes.

For fixed-income management, interest rate anticipation and sector analysis are emphasized. Quality and liquidity are stressed and value added through cyclical and spread trading.

The firm has 29 clients that are pension funds of subsidiaries of U.S. firms. R.R. Naudie, senior vice president-finance, is the chief investment officer; Paul H. de Savoye, vice president-Standard Life Portfolio Management, is the client contact at (416) 229-2030.

Sun Life Assurance Co. of Canada

200 University Ave., Toronto, Ontario
M5A 3C7; (416) 595-7500

Total assets managed	$1,690,000,000
Tax-exempt assets managed:	
Total	$1,685,000,000
Discretionary	$1,685,000,000
Minimum separate account	$2,000,000
Real estate assets managed:	
Equity	$100,000,000
Mortgages	$153,000,000
Tax-exempt clients	110
Number of portfolio managers	13
Size of research staff	15
Stocks followed generally	50
Stocks followed closely	150
Types of accounts mgd	CEJ

Tax-exempt assets at Sun Life totaled $1.7 billion as of March 31.

The approximate mix of tax-exempt assets was 30% Canadian stocks, 28% bonds, 8% cash, 6% equity real estate, 12% mortgages, 10% U.S. stocks and 6% guaranteed deposits.

The firm has equity, fixed-income, balanced, real estate, mortgage and private placement bond capabilities.

Based on Graham & Dodd, the firm's approach to equity investment is active management, combining capital appreciation with dividend income to maximize the return during each market cycle.

For fixed-income management, the firm's emphasis is on interest rate anticipation, sector swapping and immunization.

The firm has 30 clients that are pension funds of subsidiaries of U.S. firms.

Clients include AMCA International, Canadian Utilities, Texaco Canada and Trans-Alta Utilities.

Alfred G. Wirth, vice president-securities investments, is the chief investment officer; R. Murray McBride, senior pension investment officer, is the client contact at (416) 595-7808.

t

Timmins & Associates Ltd.

130 Adelaide St. W., P.O. Box 1160,
Station A, Toronto, Ontario M5W 1G5; (416) 364-5620

Total assets managed	$500,000,000
Tax-exempt assets managed:	
Total	$400,000,000
Discretionary	$400,000,000
Minimum separate account	$4,000,000
Tax-exempt clients	30
Number of portfolio managers	6
Size of research staff	2
Stocks followed generally	150
Stocks followed closely	50
Types of accounts mgd	CEF

Timmins had $400 million invested for 30 tax-exempt clients as of March 31.

The approximate mix of tax-exempt assets was 25% Canadian stocks, 55% bonds, 10% cash and 10% U.S. stocks.

The firm has equity, fixed-income and balanced capabilities.

Its equity approach emphasizes sector rotation. The firm identifies under- and overvalued securities using macro analysis to develop concepts that will dominate market attention, relating them to market consensus.

Its fixed-income approach is based on sector analysis. The firm forecasts interest rate spreads among all sectors of the bond market, concentrating on fundamental trends in sector flow of funds. Computer models estimate total return and construct optimal portfolios.

The firm has five clients that are pension funds of subsidiaries of U.S. firms.

Jean-Guy Desjardins, president, is the chief investment officer; Robert A. Swan, vice president, is the client contact.

Toronto Investment Management Inc.

P.O. Box 75, Royal Bank Plaza,
Toronto, Ontario M5J 2J2; (416) 865-0731

Total assets managed	$2,100,000,000
Tax-exempt assets managed:	
Total	$1,700,000,000
Discretionary	$1,700,000,000
Minimum separate account	$5,000,000
Real estate assets managed:	
Equity	$8,000,000
Mortgages	$74,000,000
Tax-exempt clients	75
Number of portfolio managers	9
Size of research staff	2
Stocks followed generally	160
Stocks followed closely	25
Types of accounts mgd	CEFGJ

Toronto Investment Management managed $1.7 billion in tax-exempt assets as of March 31.

The approximate mix of tax-exempt assets was 30% Canadian stocks, 45% bonds, 9% cash, 1% equity real estate, 5% mortgages, 6% U.S. stocks and 4% non-North American.

The firm has equity, fixed-income and balanced capabilities.

Emerging growth, Graham & Dodd, modern portfolio theory and market timing all play a role in the equity approach. Fundamental analysis is used.

Its fixed-income approach is based on interest rate anticipation and sec-

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tor analysis. Bond portfolios have a trading portion positioned to take advantage of market changes. The remaining portion is invested to satisfy long-run portfolio goals.

The firm has 56 clients that are pension funds of subsidiaries of U.S. firms.

W.J. Smith, president, is the chief investment officer and the client contact.

Trust General Du Canada

1100 rue University, Montreal,
Quebec, H3B 2G7; (514) 871-7433

Total assets managed	$2,500,000,000
Tax-exempt assets managed:	
Total	$798,000,000
Discretionary	$798,000,000
Minimum separate account	$1,000,000
Real estate assets managed:	
Mortgages	$100,000,000
Tax-exempt clients	340
Number of portfolio managers	10
Size of research staff	3
Stocks followed generally	140
Stocks followed closely	140
Types of accounts mgd	CFJ

Tax-exempt assets at Trust General totaled $798 million as of March 31.

The approximate mix of tax-exempt assets was 25% Canadian stocks, 40% bonds, 10% cash, 15% mortgages and 10% U.S. stocks.

Trust General is a balanced manager.

Its equity approach includes sector rotation, modern portfolio theory and market timing. Within limits of client objectives and constraints, the emphasis is on overweighting industry groups offering the prospect of best one-year investment return given the firm's most probable economic scenario.

The fixed-income approach is based on interest rate anticipation.

The firm has two clients that are pension funds of subsidiaries of U.S. firms.

Clients include Universite de Montreal, Debardeurs de Montreal, Reynolds Aluminum, Marine Industries and Ville de Sherbrooke.

Andre Bineau, vice president-investment, is the chief investment officer; Jacques Nadeau, assistant vice president-pension funds, is the client contact.

W

M.K. Wong & Associates Ltd.

2520-1066 W. Hastings St.,
Vancouver, British Columbia V6E 3X1; (604) 669-4555

Total assets managed	$640,000,000
Tax-exempt assets managed:	
Total	$600,000,000
Discretionary	$600,000,000
Minimum separate account	$10,000,000
Tax-exempt clients	38
Number of portfolio managers	4
Stocks followed generally	80
Stocks followed closely	40
Types of accounts mgd	CEFGJ

Tax-exempt assets at M.K. Wong totaled $600 million as of March 31.

The approximate mix of tax-exempt assets was 25% Canadian stocks, 55% bonds, 5% cash, 7% mortgages and 8% U.S. stocks.

The firm is a balanced manager.

Its equity approach emphasizes sector rotation.

Its fixed-income approach is based on interest rate anticipation.

The firm has four clients that are pension funds of subsidiaries of U.S. firms.

Milton K. Wong, president, is the chief investment officer and the client contact.

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Quebec fund . . .

Continued from page 43

pand operations, Mr. Normand said.

There are always companies in trouble, but the Caisse is not in the position to bail out all of them. "Otherwise, that's what we'll do all day," he added.

Moreover, the fund about two years ago changed from purely lending to these companies to taking an equity participation.

"The Caisse had been investing for years in medium-size companies as a lender, but we found those companies" had too much debt; now it provides equity and participates in its appreciation.

Often the hope is that if the fund puts in capital, the company "will become big entrepreneurs" in Quebec and trade publicly.

One example is a private placement the Caisse made with Welfab Steel Products Ltd. in the spring of 1983. The fund reportedly paid $2 million for a debenture and purchased some 30% of the common stock. Welfab, a metal fabricator, had been owned by five partners.

Mr. Normand detailed the fund's reasoning behind that investment: The firm had "outstanding growth potential" and "they needed to expand and they needed a partner."

He stressed the relationship between these small firms and the Caisse is a partnership, and there are no restrictions placed on these firms, which already operate inside the province.

The fund has not been so well received when seeking representation on the boards of directors of publicly traded companies in which it holds a large block of stock.

Although it does hold seats on some boards — Provigo, Trust Generale du Canada and Noranda Mines — it has been rebuffed by several others — Alcan Aluminum Ltd. and, very recently, Dominion Textile Inc., Canada's largest textile manufacturer.

Mr. Normand sees these rebuffs as discriminating against the Caisse. "We feel the Caisse, as an investor, should have all the rights attached to those stocks," he asserted. "When you have an important position in any company, it is almost a normal thing to have some kind of representation."

He criticized a system "where the (corporation's) managers are choosing their employees and their board of directors and they are even choosing their shareholders." Instead, it is the shareholders who should choose the directors and the managers, he said.

The fund does not wish to gain representation to influence decisions that are not in the interests of the company's profit, he said.

Mr. Normand defended the Caisse's controversial holding in Canadian Pacific, arguing that in the past 10 years, CP's stock has outperformed the Toronto Stock Exchange of 300 stocks.

In 1982, he said, "CP, in terms of earnings did reasonably well" when "a lot of companies didn't report any earnings." CP had $188 million net income in 1982, down from $485.6 million in 1981. And he criticized the proposed bill that would restrict its holdings in CP as one that limits the fund's investments — and its opportunity for returns.

Since the bill was introduced, however, the fund has not purchased any more CP stock, although its general manager, Jean Campeau, has stated publicly the fund is interested in doing so.

The fund has abstained because the bill, if passed, would apply retroactively, Mr. Normand said. "We are respectful of the law. We would be foolish not to do so." ■

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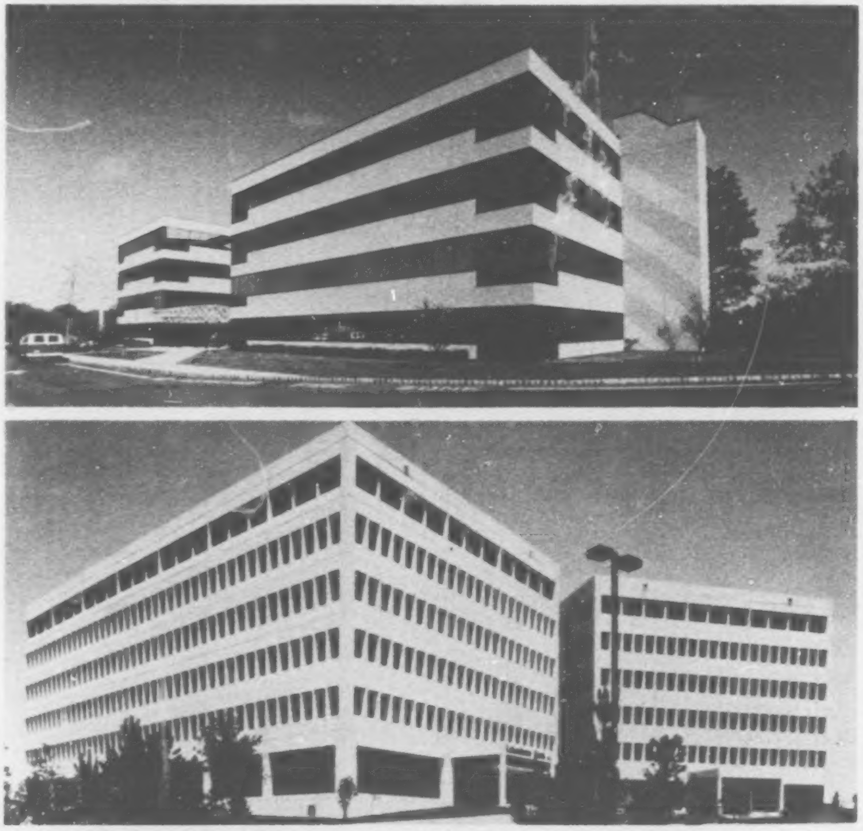

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The newspaper of corporate and institutional investing • $2.50 an issue • $52 a year • August 22, 1983

Eyes investment banking

GECC aims high with GEVEST sub

By Pavan Sahgal

Corporate finance

STAMFORD, Conn. — General Electric Co., through its General Electric Credit Corp., is aiming for a share of the investment banking business with a new arm called GEVEST.

The firm's top officials also are evaluating build-or-buy decisions in the context of developing a broader financial services business, and chances are the company might buy an investment bank.

The moves at GECC make General Electric one of the first industrial companies to establish a firm foothold in the popular financial services industry. American Can Co. also is moving in that direction.

GECC executives are betting on client relationships in the commercial and industrial finance business to swing some investment banking business their way.

For instance, GECC recently provided leasing facilities to a large cement manufacturer with which company executives had a strong relationship.

"We were not a registered broker-dealer, we did not have the requisite facilities to provide underwritings when the same customer wanted to go out in the long-term borrowing market," recalls Norman P. Blake, GECC's executive vice president.

In another instance, a manufacturing firm with sales in excess of $1 billion set up a plant and GECC helped structure the complex, tax-oriented leasing deal.

"It was a very large investment," said Mr. Blake. "We were dealing with the highest echelons of management and the chief financial officer. Had we been in the investment banking world ... we could have assisted them in other ways in terms of their own debt underwriting and the like."

GECC's bid would make it an entire market channel; no other financial services company at-

Continued on page 43

Hopes for 'prudent deregulation'

Jeffrey Clayton to resign as pension administrator

By Joel Chernoff

WASHINGTON — Jeffrey N. Clayton is resigning as the top Department of Labor official on pensions Sept. 14.

Mr. Clayton, who made his decision primarily for family reasons, will become a partner with Greene, Callister & Nebeker in Salt Lake City, and will specialize in pension and corporate law.

After nearly two years as administrator of the pension and welfare benefit programs, Mr. Clayton hopes he left an imprint of "prudent deregulation" on the pension program.

But he is concerned that biases within the Labor Department will work against the independence and strength the program needs to continue the job. Given the tremendous growth of pension assets, he also fears the door will be open for both corporate and union misuse of plan assets.

In an interview with *Pensions & Investment Age*, Mr. Clayton discussed the successes and failures of his tenure, his concerns for the pension program and threats that could erode the private pension system.

Mr. Clayton was appointed U.S. pension administrator in November 1981 after a short stint in another Labor Department post under then-Assistant Secretary Donald L. Dotson.

Ironically, Mr. Dotson, who supported Mr. Clayton's appointment, reportedly later became one of his greatest adversaries. According to sources, Mr. Dotson and his assistant, Acting Assistant Secretary Ronald St. Cyr, often blocked Mr. Clayton's efforts in an apparent attempt to make him quit (P&I Age, June 13).

Mr. Dotson is now chairman of the National Labor Relations Board. Sources say an organizational study that has been sitting in draft form and largely shaped by Mr. St. Cyr would greatly pare back the pension program and diminish the administrator's position to a civil service post.

The concern among pension experts now is that the study might be made final without a strong administrator to defend the pension program's interests. No word was available as to who the department is considering to succeed Mr. Clayton.

"The available choices send shivers up my spine," said one congressional aide.

Pension experts generally praised Mr. Clayton's performance

Continued on page 46

Jeffrey Clayton: "No one is really asking the important questions"

FNB Chicago bid for ANB stirs industry speculation

By Kimberly Blanton

CHICAGO — First Chicago Corp.'s proposed acquisition of American National Bank & Trust Co. could have dramatic implications for investment services at these two major Chicago banks.

A scenario industry observers have cited most is one in which American National's trust department would be combined with First National Bank of Chicago's investment group.

Two months before announcing the planned acquisition, First Chicago Corp., the bank holding company, had applied to the comptroller of the currency for approval to set up a separate investment subsidiary. That application was made during a realignment of First Chicago's trust and investment services area (*Pensions & Investment Age*, March 21).

FNB's Brinson: Is marketing American National's products down the road?

Combined tax-exempt assets of the two banks are $10.7 billion, divided roughly evenly between the two.

Whether the trust department at American National Bank will be merged with FNB Chicago's investment division is purely speculative, however.

On Aug. 9, Walter E. Heller International, American National's parent, and First Chicago agreed in intent to the acquisition for $275

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Proposal may hit ratings

Corporations fear impact of FASB fund liability proposal

By Richard J. Gillespie

NEW YORK — At least 8% of the respondents in a survey of the nation's Fortune 1,000 corporations fear their credit ratings would be affected adversely if pension fund liabilities are put on the balance sheet.

The study was conducted by the National Association of Accountants to discover what would happen if the Financial Accounting Standards Board is successful in its bid to recognize pension fund financials on the balance sheet.

Results of the survey indicated at least 40% of the largest 1,000 corporations would inherit pension fund liabilities as a result of the way in which the FASB wants corporations to calculate pension fund obligations.

Forty-three percent of the chief financial executives who responded said they would come up with a net asset after performing the complex computations required by the proposal. About 17% of the respondents were unwilling to project the bottom-line impact of the proposal.

According to the survey, 8% of the Fortune 1,000 corporations would show a pension fund liability of $50 million or more on the balance sheet if the FASB gets its way.

That prospect has some chief financial officers worried about the damage these liabilities will do to their corporate credit ratings.

About 8% of the respondents believed their credit ratings would be affected adversely, and 12% of the respondents said they probably would have to renegotiate their corporate loan agreements to prevent a technical default.

A spokesman at the National Association of Accountants indicated the survey had uncovered an immense groundswell of opposition among the corporate community to the FASB's proposal.

But the FASB itself was not surprised at the results.

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Late news

2 choose venture cap

MIDLAND, Mich. — Burroughs Corp. and the W.K. Kellogg Foundation are the newest investors in the Michigan Investment Fund L.P., a venture capital limited partnership that promotes small companies in Michigan.

Together, the tax-exempt investors agreed to invest $1.75 million, bringing the fund's commitments to $21.75 million, according to a spokesman for Doan Associates, the fund manager.

The fund will close at $30 million.

Neither company could be reached to confirm the investment.

Other investors in the venture capital fund include the Charles Stewart Mott Foundation and the Michigan State Employees Retirement Systems.

PBGC sets 9.5% rate

WASHINGTON — The Pension Benefit Guaranty Corp. has raised the interest rate for valuing immediate annuities for plans terminating on or after Sept. 1 to 9.5% from 9.25%. It marks the first rate increase after steady drops from a high of 11% more than a year ago.

Sun Electric filing

CRYSTAL LAKE, Ill. — Sun Electric Corp. has filed with the Securities and Exchange Commission to sell 63,000 shares of Sun Electric common stock that were

Continued on page 2

Raises maximum allocations

New law eases restrictions on N.Y. fund investments

By Ivy Schmerken

ALBANY, N.Y. — A law signed by Gov. Mario Cuomo expands investment limits for seven New York public pension funds totaling more than $45 billion.

The law raises the maximum investment in common stocks a fund can make in one year to 15% of assets from 8%. The law permits any fund to invest a maximum of 15% to 20% in stocks in any one year if the average invested in stocks in all prior years does not exceed 15% and if the aggregate doesn't exceed 40%. Maximum stock holdings overall for the funds remain at 40%.

It also raises the maximum investment in the stocks of any one corporation to 5% from 3%.

Moreover, the law extends the authority of trustees to apply a "prudent person standard" to investments made under a basket clause and adds that, whenever possible, these investments should benefit the "overall economic health of the state."

The basket clause, approved last year, allows the funds to invest up to 5% of their assets in types of investments not specified by law. According to state Assemblyman Arthur J. Kremmer, chairman of the Ways and Means Committee and the sponsor of the bill in the Assembly, no specifics were mentioned yet on the types of investments.

But State Comptroller Ned Regan, announcing the law with the governor, mentioned leveraged buyouts and venture capital as possibilities.

The law expands the investment discretion of Mr. Regan, who is sole trustee of the $20 billion New York State Common Retirement Fund. According to Mr. Kremmer, the key issue in New York pension law reform will be the creation of a board of trustees to share this power with Mr. Regan. Mr. Kremmer sponsored such a bill, which was approved in the Assembly but not in the New York Senate.

Besides the Common Retirement Fund, the pension funds affected and their assets are: New York State Teachers' Retirement System, $10.1 billion; New York City Employees Retirement System, $7.3 billion; New York City Teachers Retirement System, $6.1 billion; New York City Policemen's Retirement System, $2.6 billion; New York City Firemen's Retirement System, $800 million; and New York City Board of Education Retirement System, $300 million. ■

Mortgage program caught in NYC dispute

By Mark Westerbeck

NEW YORK — Politics has made a controversy of a $50 million social investment announced this month by the New York City Police Pension Fund, but not over its potential for success.

The police fund's program, which will provide loans to rehabilitate about 5,000 apartments in deteriorating buildings, is one of a series of targeted housing investments undertaken by city employee pension funds (*Pensions & Investment Age*, Aug. 8).

It apparently is the most ambitious of the programs, and is the first time public pension money will be used to rehabilitate multifamily homes with the aim of stabilizing older urban neighborhoods.

The investment turned into a political football when key city and union officials perceived an attempt by City Comptroller Harrison J. Goldin to take some of the credit for the program designed to help moderate- and low-income residents. Chafing at the image issue, Mayor Edward Koch and City Council President Carol Bellamy protested that they, too, are concerned with improving the living conditions in deteriorating neighborhoods.

Rehabilitation: The New York City police fund is funding a loan program

"I hope it's a tempest in a teapot," said Michael D. Lappin, president of the Community Preservation Corp., a consortium of 31 city banks that's coordinating this and other rehabilitation projects.

CPC was caught in the dispute when two trustees of the New York City Employees Retirement System, the largest of the five city funds, claimed Mr. Goldin directed the program away from them to

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Late news

Continued from page 1

contributed to its $12.2 million pension fund July 12. The filing will enable the firm to sell the shares at an opportune time, but no plans have been made to do so, said H. Allan Stark, vice president.

On Aug. 11, the date of the SEC filing, the share price had declined about 14%, to $13.75 per share from its $16 value upon contribution. Sun stock is traded on the New York Stock Exchange.

New payment system

WASHINGTON — Most federal agencies will switch to making payments of more than $25,000 electronically on Oct. 1, according to Don Skiles, a project manager with the Department of the Treasury.

On that date, 117 different federal agencies are scheduled to begin paying through the Treasury Financial Communications System, a computer-to-computer link between the Treasury and FedWire. However, the Department of Defense will not be switching until April or June, said Mr. Skiles.

The Treasury's electronic fund transfer program is part of the official response to the Prompt Payment Act, which requires that agencies pay bills on time or pay interest penalties.

The General Office of Accounting reported in 1978 that the government could save $250 million annually by not paying its bills early. Now, about half its bills are late and half early, according to Mr. Skiles. "We tend to fall on both sides of the due date, but not so much in the middle," he commented.

The Treasury expects to make about 130,000 payments next year through the 117 agencies involved — a total of about $20 billion in disbursements.

A similar program is being developed whereby the Treasury will switch to electronic disbursing on payments of less than $25,000, but this would be done through the automated clearinghouse, an electronic payments network operated among banks.

An ACH pilot program is expected to go forward during the 1984 fiscal year, which begins Oct. 1, 1983, according to Mr. Skiles.

DOL suit seeks assets

LOS ANGELES — The Department of Labor has filed suit seeking to recover more than $1.5 million for the Western Conference Benefit Trust, a welfare benefit plan for Teamsters Local 911 in Los Angeles. The suit alleges that Matt McCusker, former plan administrator, illegally used plan assets by transferring $542,000 to his own account, and made illegal payments to numerous persons, including members of his family.

Citicare fund started

NEW YORK — Citibank will offer Citicare, an emerging growth health-care fund, to foreign pension funds starting in October.

Citibank's investment division was hired by a subsidiary, Citibank Ltd., Jersey, Channel Islands, to manage the fund.

The new fund is structured as an open-end investment company, patterned after a health-care fund started by Citibank earlier this year for U.S.-based institutional investors. This fund focuses on small U.S.-owned health-care companies, and is targeted for foreign pension funds because the same opportunities are not available for investment in Europe because of socialized medicine, according to Citibank officials.

Offshore firm formed

NEW YORK — Rothschild Inc. formed an offshore venture capital company, Arrow Ventures N.V., with initial capital of $59.5 million. Rothschild Inc., New York, will act as investment adviser to Arrow Ventures which is registered in the Netherlands Antilles.

Archie J. McGill, formerly president of American Bell's Advanced Information Systems division at American Telephone & Telegraph, will manage the portfolio of diversified U.S. venture capital and special situations securities. Mr. McGill recently joined Rothschild Ventures Inc. as president of the venture capital subsidiary. The firm manages approximately $275 million in the venture capital area.

Lotsoff in partnership

CHICAGO — S.N. Lotsoff & Associates Inc. has formed a partnership with NWNL Investment Services Corp., Minneapolis, said Seymour Lotsoff. The new venture, named Lotsoff Capital Management, primarily will employ financial futures for contingent immunization of pension funds' bond portfolios. Mr. Lotsoff will continue to provide futures consulting to corporate clients. Prior to consulting, Mr. Lotsoff managed futures for Sears Investment Management Co.

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Vol. 11, No. 17—Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

University Analytics buys Phoenix-Hecht

By Richard J. Gillespie

Cash management

CHICAGO — Phoenix-Hecht Inc., a leading cash management consultant, has been acquired by University Analytics Inc., a consulting firm based in Durham, N.C., for an undisclosed sum.

The new outfit will have a virtual monopoly in advising consultants on corporate collection and disbursement studies, according to sources.

Although Phoenix-Hecht will retain its name for now, it is believed the two companies eventually will be consolidated into a single unit.

"It's a perfect synergy," said Larry Marx, who resigned from Phoenix-Hecht earlier this year to set up his own firm, Oak Financial, and who now has returned to Phoenix-Hecht as chief operating officer.

The two companies originally worked together, he explained. Phoenix-Hecht would supply University Analytics with raw data on mail times that it collected by sending out literally millions of empty envelopes. UAI used the data in computer models it ran for corporate collection and disbursement studies.

More recently, the relationship had faltered. On leaving Phoenix-Hecht, Mr. Marx launched his own product, called The Postal Survey. Banks engaged in corporate cash management studies and using UAI's Duke Model would be given a choice between Oak Financial or Phoenix-Hecht mail time and clearing data.

Recently, Phoenix-Hecht and

Continued on page 41

First liquidation of realty pool

Coldwell Banker winds up commingled fund liquidation

By Mark Westerbeck

NEW YORK — Coldwell Banker has successfully completed the first liquidation of a commingled real estate fund.

The $19 million invested by nine tax-exempt accounts in 1972 in Fund I has grown to an estimated $105 million in 1983, according to a Coldwell spokesman.

The cost of a 1972 dollar has gone up 2½ times, while the fund's value has grown more than five times.

The cost of a 1972 dollar has gone up 2½ times; the fund's value has grown more than five times

Investors in Coldwell Fund I were the International Brotherhood of Teamsters; Aetna; the First National Bank of Minneapolis' trust department; Dow Chemical; the National Automobile Dealers Association retirement trust; Penn Mutual Life Insurance Co.; Armco Steel Corp.; Stauffer Chemical; and Atlantic Richfield.

The Coldwell fund, a limited partnership, had about a 16.8% compound annual rate of return during its life, according to figures released regularly by evaluating services. Also, Coldwell reported annually the value of its properties, and the value stated in the most recent report is very close to the sales prices to which Coldwell is agreeing, the fund's managers say.

All the value numbers have been provided through Coldwell's appraisers, said Coldwell Vice President James G. Nugent.

This accuracy is important to Mr. Nugent as he pitches the veracity of the appraisals in a marketplace that's skeptical about Coldwell commingled funds using Coldwell appraisers.

"The liquidation process is the successful culmination of Coldwell Banker's efforts in this area since it pioneered the industry at a time when few others had perceived the need and the opportunity," he said.

"The issues of performance can now be analyzed based on results

Continued on page 40

Investment-staff bill vetoed in California

Funds' problems left unresolved

By Steve Hemmerick

SACRAMENTO, Calif. — California Gov. George Deukmejian has vetoed a bill that was supposed to end serious understaffing of investment workers for the state's two largest pension funds.

It's now uncertain how or if the $10 billion in the California State Teachers' Retirement System will be pulled back in-house by the end of the year as had been hoped. In addition, the $19.6 billion California Public Employees' Retirement System is still without a permanent chief investment officer five months after its former chief left.

State Assemblyman Louis Papan, who authored the bill, said the veto was a demonstration of either Gov. Deukmejian's "ignorance" or "callous insensitivity."

The bill, AB 723, would have given the pension fund trustees more autonomy and the right to increase salaries for in-house investment personnel. The current top salary is $52,000 a year.

Some observers expressed surprise at the veto because the bill had won bipartisan support and was approved, 27-0, by the California Senate. Stephen Gavin, chairman of the teachers' investment committee, said he was very disappointed by the veto.

Larry Stirling, a Republican assemblyman from San Diego with expertise on pension matters, told *Pensions & Investment Age* he had "urged (the governor) not to do it."

Marcie Arvin, an economist and consultant to the joint legislative study committee on pension investments, said the veto was "really shocking" and suggested the governor was "playing with fire."

In his veto message, Gov. Deukmejian said, "I seriously question provisions of this bill which remove budgetary and personnel oversight from the executive and legislative branches of state government."

The governor's blue ribbon commission on pension matters is expected to make public shortly its views on the state's pension investment problems. Even so, Mr. Papan, who is chairman of the Assembly Rules Committee, criticized the governor's study, saying, "You can be assured that if the governor faced the personal liability for breach of a fiduciary duty, he would not be jeopardizing the systems as he now does."

This June, facing a July 1 split from the public employees' investment staff, trustees of the teachers' system within a few days placed its $10 billion in assets with outside managers for the first time (*Pensions & Investment Age*, July 11). One outside consultant said he had never before seen in-house money moved to outside managers "in such a short time period."

But until the last few days, some of the trustees believed there would be an agreement between the governor and Legislature to allow the public employees' fund staff to continue managing the teachers' money in-house as it had in the past.

That agreement never came about, and the trustees rushed to

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PBGC data show reversions brought firms $443 million

By Joel Chernoff

WASHINGTON — One hundred four U.S. companies have recaptured $443 million from the termination of 114 pension plans since the start of 1980, according to statistics compiled by the Pension Benefit Guaranty Corp.

Not included in the list, however, are a number of major terminations that are pending or in litigation. If these are included, the committee estimates total reversions to plan sponsors will reach about $1.2 billion.

The termination list was compiled by the PBGC at the request of the House Select Committee on Aging, which is chaired by Rep. Edward R. Roybal, D-Calif.

The largest reversion of assets on the list involved a recapture of $58 million by M.W. Kellogg Co., a unit of the Signal Cos., La Jolla, Calif.

According to a Kellogg officer, the plan terminated actually was one sponsored by Pullman Inc., Kellogg's former owner. That plan no longer was needed when Wheelabrator-Frye Inc. purchased the now-disbanded railroad-car maker in 1980. It was replaced by an identical plan; Wheelabrator-Frye subsequently was bought by the Signal Cos. last year.

Other substantial reversions include Western Air Lines Inc.'s recapture of $28.8 million from the termination of two plans; Timex Corp.'s gain of $21.4 million from three plans; Houdaille Industries Inc.'s $21.3 million reversion from two plans; and Continental Air Lines Inc.'s recapture of $19.6 million from one of its plans and an additional $2.1 million from termination of its Texas International Airlines unit plan.

Reversions occur if a company

Continued on page 42

Choice of MCA, Disney

Scudder's style puts short-term on center stage

By Steve Hemmerick

BURBANK, Calif. — "E.T. The Extra-Terrestrial" has brought home a lot of cash to a lot of people — especially MCA Inc., owner of Universal Studios.

Largely as a result of its sci-fi blockbuster, MCA Inc. increased up to $400 million the amount of its cash and short-term investments with its corporate cash manager, Scudder, Stevens & Clark.

The firm has attracted accounts from other studios, as well. At one point, Walt Disney Productions had about $300 million in a short-term account with Scudder, before its cash needs resulted in Disney going to Europe and Japan for additional financing.

Both entertainment companies are using a style of short-term investment management that is expected to become popular among pension fund managers.

Joan Payden, director of the Scudder asset group in Los Angeles, and her associate director Sandra Rygel, are so convinced of the prospects of their style of short-term investment, that they resigned from Scudder August 15 to open their own Los Angeles firm, to be called Payden & Rygel.

Basically, while at Scudder they have taken an "intense" approach to short-term investment, applying the same kind of care and work to short-term money that is given to actively managed, longer-term accounts. Ms. Payden says some banks have given relatively short shrift to short-term money, emphasizing collection over investment.

She said the situation is changing, however, and Scudder is getting more competition from investment bankers and banks like Chemical Bank. But she adds, there "is enough money out there for everyone."

Investment of short-term cash has played a more important role at MCA than it has at some other companies. From 1978 to 1981, MCA had about $200 million in cash and short-term investments.

Anthony Perkins in Universal's "Psycho II": MCA hiked its short-term investments after several successful films

By the end of 1982, that figure had risen to more than $400 million.

According to Harold M. Haas, treasurer at MCA, much of the increase in cash came as a result of the success of "E.T." According to the trade newspaper, Variety, "E.T." is the all-time leading film at the box office, grossing about $356 million.

"'E.T.' added a lot," said Mr. Haas.

He said about 95% of the money placed with Scudder is in Treasuries. "We are very interested in security," he said.

"Sometimes a corporation doesn't want to take any quality risk," said Ms. Payden. "They take enough in their business."

And there is risk in one of MCA's key products, films. It will release more than 20 films this year, but MCA tells its shareholders that revenue derived from a film is a result of the commercial acceptance by the public, and cannot be projected on the basis of production costs.

While there are no certainties

Continued on page 40

Terminations . . .

Continued from page 3

terminates a plan and has assets in excess of the amount needed to pay out all accrued benefits, and if plan documents allow the company to take back the excess.

Of the 104 companies on the PBGC list, 50 gained reversions of $2 million or more, totaling $367 million.

The list does not include terminations that are pending or in litigation. Among these are some of the largest reversions of excess assets, such as Occidental Petroleum Corp.'s expected recapture of $400 million from the termination of three of its plans and one plan of recently acquired Cities Service Co., and the Great Atlantic & Pacific Tea Co.'s recapture of $200 million from its plan termination.

Other large reversions not cited include Stroh Brewery Co., $81 million; GAF Corp., $40 million; Dan River Inc., $10 million; Graniteville Co., $25 million to $30 million; AM International, $65 million; and AMAX Inc., $100 million to $130 million.

In a letter to *Pensions & Investment Age*, Rep. Roybal wrote, "This and other information being compiled by the Committee seem to confirm our concern that there has been a marked acceleration of the termination of so-called 'overfunded' defined benefit plans which enable corporate plan sponsors to recover the 'excess assets' of these plans."

The reaction from pension experts has been one of surprise: "I didn't know there were so many" is a standard response.

In large part, the terminations of overfunded plans appear to a byproduct of the recession.

One executive explained the reversion meant the difference between recording a profit and a loss for the year. His company also was able to take advantage of an accounting trick no longer available: the firm recorded the gain immediately, instead of amortizing it, even though the firm started new defined benefit and defined contribution plans immediately.

Terminations occurred in numerous industries that have been troubled during the rough economic period.

Banking industry reversions, for example, include $12 million by Bank of the Commonwealth, $4.1 million by Union Planters National Bank, $3 million by Security-Peoples Trust Co., and $2.3 million by Central Bank of Denver.

Other industries where several plan terminations involving reversions occurred include transportation and construction.

Some plan terminations took place where the original sponsor was taken over through a merger. For example, a $12.3 million reversion resulted from the termination of Lane Bryant Inc., New York. The women's apparel manufacturer had been merged into Limited Stores Inc., a Columbus, Ohio, firm.

Also, the fast-food chain Gino's Inc. was purchased by Marriott Corp.; the termination of Gino's plan yielded $4.6 million for its new owner.

Other terminations appear to have occurred either to ease the debt burden taken on in a merger, such as the Occidental/Cities Service terminations, or to prevent loss of management control, as employees allege was the motive behind the Harper & Row Publishers Inc. termination. The excess assets, listed at $10.2 million by the PBGC, were used to help buy one-third of the company's stock from the Minneapolis Star & Tribune Co. The stock then was contributed to a new employee stock ownership plan. Those actions are being litigated.

In a somewhat different situation, Swank Inc., an Attleboro, Mass., jewelry firm, set up a leveraged ESOP. With the proceeds of a stock sale to the ESOP, the firm retired an $8 million loan it had taken out to buy a large chunk of its stock. More Swank stock was purchased by the ESOP with the $7.5 million in excess assets from the termination of its plan for salaried employees.

"There is now better control over our destiny by having defined costs," said Andrew Corsini, Swank treasurer, adding the ESOP might boost workers' performance.

Regardless of the reasons, the sheer volume of terminations might spur congressional action. The House Committee on Aging, which has no lawmaking authority, has tentatively scheduled a hearing on corporate use of plan assets, and particularly terminations of overfunded plans, for Sept. 28. ■

Terminations of overfunded plans, 1980-1983

(Reversions of $2 million or more)

Company	Reversion
M.W. Kellogg Co.	$57,999,000
Western Air Lines, Inc.*	28,840,377
Timex Corp.**	21,427,337
Houdaille Industries Inc.*	21,321,805
Continental Air Lines Inc.	19,621,717
Questor Corp.	13,283,180
Lane Bryant Inc.	12,265,000
Bank of the Commonwealth	11,989,901
Dentsply International Inc.	11,315,760
A.G. Becker Inc.	11,130,292
Harper & Row Publishers Inc.	10,189,000
Triangle PWC Inc.*	9,720,239
Chemetron Corp.***	9,254,643
F&S Oil Co.	7,997,930
Swank Inc.	7,504,743
Bobbie Brooks Inc.	6,018,000
The Washington Star Co.	4,928,229
Gino's Inc.	4,627,363
Butler Manufacturing Co.	4,562,742
Branch Motor Express Co.	4,531,914
Equitable General Insurance	4,473,329
White Stores Inc.	4,422,439
Buffalo Courier-Express Co.*	4,294,665
Union Planters National Bank	4,143,401
Illinois-California Express	3,996,274
Winston-Salem (N.C.) Savings & Loan	3,934,365
Butcher & Singer Inc.	3,506,474
Cook Paint and Varnish Co.	3,475,096
Crompton & Knowles Corp.	3,274,216
Sutherland Lumber Co.	3,216,503
Globe Ticket Co.*	3,113,296
Gateway Transportation Co. Inc.	3,067,494
Security-Peoples Trust Co.	3,000,000
Fischer & Porter Co.	2,906,810
Buckeye International Inc.	2,862,958
Bessire & Co. Inc.	2,847,275
Savings Bank of Puget Sound	2,670,784
Fedders Corp.	2,651,000
General Time Corp.	2,590,000
C.H. Stuart Inc.	2,481,598
Pelton Casteel Inc.	2,451,397
Halle Bros. Co.	2,321,401
Central Bank of Denver	2,312,923
Emerson Electric Co.	2,184,449
Texas International Airlines	2,141,093
IBEC	2,123,243
Vansant, Dugdale & Co. Inc.	2,099,187
Gotaas-Larsen Ltd.	2,092,179
Commonwealth Oil Refining Co.	2,028,438
Unicon Producing Co.	2,000,000

* Two plans terminated
** Three plans terminated
*** Four plans terminated
Source: Pension Benefit Guaranty Corp.

California veto . . .

Continued from page 3

get the money out, with $8.4 billion in fixed assets going to Manufacturers Hanover Trust Co. Two-thirds of the equities went to Alliance Capital, San Francisco, and the remainder to Trust Co. of the West.

The state treasurer's office is acting as custodian. At the time, it was believed the money would stay outside for only six months while the trustees hired staff.

However, by mid-August there was no resolution of how to get the needed investment personnel with the low salary schedule. Before the veto of the bill, it had been expected the trustees would boost the chief investment officer's salary from $52,000 to $90,000, with a fringe benefit package equal to about 30% of salary.

At the public employees' system, Carl J. Blechinger, executive officer, said the board of trustees for his system "refused to look" for a new chief investment officer until the salary question is resolved. It also has been announced that Mr. Blechinger will retire soon.

The acting chief investment officer for the public employees' fund is Sid McCausland.

However, at the teachers' system, Mr. Gavin said he is going through state processes to hire additional temporary and permanent personnel. Mr. Gavin said the teachers' system now has only one qualified investment person, Richard W. Lambourne, who volunteered to help the retirement system in its current difficulty.

It is Mr. Gavin's hope that another bill by Mr. Papan that would add about $6 million to the retirement systems for personnel and equipment, will be approved. That bill, AB672, is not yet on the governor's desk. ■

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Directory of consultants

This directory is based on questionnaires received from 72 investment management consultants.

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a

Advanced Business Systems Inc.

S-10 Routes 4 and 17, Paramus, N.J. 07652; (201) 845-5666

Advanced Business Systems provides performance measurement services, and does not engage in manager evaluation and selection, asset allocation guidance or investment objective setting.

Performance measurement services cover U.S. stocks and bonds, along with performance analysis and diagnosis. The firm also offers complete in-house portfolio accounting and performance analysis computer systems, and user consulting services. It claims special expertise in selection, design and development of in-house investment management and portfolio accounting computer systems.

The firm has six clients on retainer. It has three professional consultants. Fees are paid with hard dollars.

The client contact is Nigel N. Wilson, president.

Alexander & Alexander HRM Consulting Group

1185 Avenue of the Americas, New York, N.Y. 10036; (212) 575-8000

Alexander & Alexander HRM Consulting Group provides development of investment policies and objectives, and guidance in asset allocation. It offers manager evaluation and selection, and performance measurement.

Other services offered include asset and liability planning studies, actuarial services, consulting on plan design and communications, management consulting services, defined contribution and defined benefit record keeping, and benefit statements by Benefacts, a wholly owned subsidiary.

The firm has special expertise in immunization, GIC's and master trust evaluation.

Non-retainer clients number 30.

It has seven professional consultants.

The parent company of the firm is Alexander & Alexander Services Inc., an insurance brokerage and financial services firm.

Investment management services are available through it's wholly owned subsidiary Montag & Caldwell Inc., which manages $330 million in tax-exempt assets.

Fees are paid with hard dollars.

Joseph H. Wilkinson, senior vice president, and Roy S. Good, vice president, are the client contacts.

Am Cal Co.

4737 Lankershim Blvd., North Hollywood, Calif. 91602; (213) 763-6206

Am Cal, a real estate specialist, provides development of investment policies and objectives, and asset allocation guidance.

The firm's services also include real estate investment planning, real estate loan underwriting, and real estate investment feasibility and market studies.

Am Cal has special expertise in real estate investment and advisory services.

Am Cal does not engage in manager evaluation and selection.

It has five clients on retainer and one non-retainer client.

Professional consultants at the firm number four.

Fees are paid in hard dollars.

Retainer clients include Missouri State Employees Retirement System, Hawaii Masons Pension Fund, Development Foundation of Southern California, the Carpenters Pension Trust for Southern California and Pacific Van Lines.

The client contact is James B. McKenna, president.

b

Bank of America

315 Montgomery St., Suite 1610, San Francisco, Calif. 94104; (415) 622-8712

Bank of America provides development of investment policies and objectives, and asset allocation guidance.

The bank offers manager evaluation and selection, and performance measurement and analysis for domestic investments. It also offers investment performance measurement for foreign investments.

The bank has special expertise in all the services it offers.

The bank also offers investment management services.

Retainer clients number 27. It has three non-retainer clients.

Fees are paid in hard and soft dollars.

There are two professional consultants.

The client contact is Brenda K. Teel, vice president and director of consulting services.

Beam & Associates

12813 East Paul, Clovis, Calif. 93612; (209) 299-4152 or (213) 625-1611

Beam & Associates aids in developing investment policies and objectives, and guides asset allocation. It provides performance measurement and analyses of domestic and foreign investments, and the selection and evaluation of those managers.

It has special expertise in the analysis of the factors responsible for the stated rates of return compared with potential performance.

Beam has 20 retainer clients. Non-retainer clients number five.

The firm has two professional consultants.

Fees are paid with hard and soft dollars.

Clients include Jacobs Engineering, Aviall Inc., and Southern California & Arizona Glaziers.

The client contact is Ed Beam.

A.G. Becker Inc.

20 South Clark St., Chicago, Ill. 60603; (312) 630-5488

A.G. Becker helps to develop investment policies and objectives and offers guidance in the development of appropriate asset allocation. It provides U.S. performance measurement and analysis.

It aids in selecting money managers and master trustees, and provides transaction audit and control service.

It has special expertise in trading costs, offering detailed analysis of an institution's trading efficiency, absolute and relative to other institutions.

Retainer clients with the firm number 1,400. Non-retainer clients number 80.

The firm has 45 professional consultants.

Fees are paid with hard dollars by corporations and with soft dollars by institutions.

The client contact is A.A. Pisterzi.

Berg Fiduciary Consultants

19 West 44th St., Suite 1200, New York, N.Y. 10036; (212) 719-3544

Berg Fiduciary provides development of investment policies and objectives, and asset allocation guidance. It also offers evaluation and selection of domestic and foreign managers, and measurement and analysis of U.S. investment performance.

The firm also provides insurance contract surveys and negotiation, master trustee/custodian evaluation, and accepts designation of fiduciary for retainer clients.

It has expertise in working closely with a retirement committee or board of trustees and aiding in decision areas related to the investment of pension or profit-sharing funds. The firm will make specific recommendations as a professional fiduciary.

The firm has five retainer clients and one non-retainer client. There are two professional consultants. Fees are paid with hard or soft dollars.

Clients include Booz, Allen & Hamilton Inc., Moore McCormack Resources, and the Retail Clerks and Employers Pension Fund.

The client contact is Paul E. Berg, president.

Alan D. Biller & Associates

P.O. Box 1414 Palo Alto, Calif. 94302; (415) 328-7283

Alan D. Biller & Associates provides development of investment policies and objectives, and asset allocation guidance.

It also offers integration of uncertainties about assets and liabilities in a decision procedure based on stochastic optimization. The emphasis is usually on identifying a feasible combination of contribution and asset allocations that meet the sponsor's objective.

The firm does not aid in evaluating and selecting managers.

The firm has five non-retainer clients. It has one professional consultant. Fees are usually paid with hard dollars but can be paid with soft.

The client contact is Alan D. Biller.

Boston Investment Systems

149 Pearl St., Boston, Mass. 02110; (617) 451-2152

Boston Investment Systems provides systems audits of prospective managers and aids in the selection of portfolio accounting and investment related systems.

It has special expertise in portfolio systems and the use of fourth-generation software by investment firms and sponsors.

It has two non-retainer clients.

There are three professional consultants.

Fees are paid with hard or soft dollars.

The client contact is Preston R. Ford.

The Bradshaw Company

780 Boylston St., Suite 20J, Boston, Mass. 02199; (617) 267-1499

The Bradshaw Company provides consulting services for real estate investment only. Those services include the development of investment policies and objectives, asset allocation guidance, selection and evaluation of domestic and foreign managers, and measurement and analysis of domestic and foreign investments.

It specializes in identification and acquisition of specific properties.

The firm has three non-retainer clients.

There is one professional consultant.

The firm offers investment management services.

Buck Pension Fund Services

Two Pennsylvania Plaza, New York, N.Y. 10121; (212) 279-4400

Buck Pension Fund Services is a subsidiary of Buck Consultants Inc., which is an actuarial and benefit consulting firm.

Buck Pension Fund Services provides manager evaluation and selection services, asset allocation guidance and aids in setting investment objectives. The firm tracks the performance of U.S. stocks and bonds, real estate and international investments, and offers performance analysis and diagnosis.

The firm has special expertise in real estate, international investing and GICs.

It has 15 investment clients on retainer, and 35 non-retainer clients. There are five professional consultants in the firm.

Fees are paid with hard and soft dollars.

Clients include the New York State Teachers Retirement System, Consolidated Foods Corp. and Allegheny Power Corp.

The client contact is Catherine Higgins, president.

c

Callan Associates Inc.

Suite 200, San Francisco, Calif. 94107; (415) 974-5060

Callan Associates offers manager evaluation and selection services, asset allocation guidance and aids in setting investment objectives. It also provides performance measurement of U.S. stocks and bonds, real estate and international investments, and performance analysis and diagnosis.

Other services offered by the firm include consulting on immunized bonds vs. GICs vs. dedicated bonds. The firm assists in placements and strategy and also provides portfolio audits for 180 accounts.

Callan has special expertise in real estate, international investments, venture capital, oil and gas, and mortgages.

The firm has 125 clients on retainer. Non-retainer clients in 1982 numbered 25. The firm has 11 professional consultants.

The firm also sponsors the Callan Investment Institute, a continuing education and research facility for the pension and investment industry.

Fees are paid 30% with hard dollars and 70% with soft dollars.

The client contact is Ronald D. Peyton, president.

Collins Associates

567 Nicolas Dr., Suite 302, Newport Beach, Calif. 92660; (714) 644-5771

Collins Associates provides development of investment policies and objectives, and asset allocation guidance. It also offers domestic and foreign manager selection and evaluation, as well as providing performance measurement and analysis of such investments.

Collins has expertise in teaching corporations to manage retirement funds as profit centers, and to dramatically improve performance without increasing risk.

The firm has 14 retainer clients.

It has five professional consultants, and fees are paid with hard dollars.

Clients include Xerox, Superior Oil and Safeway Stores.

The client contact is Budge Collins.

Colonial Consulting Corp.

Suite 420, 610 Fifth Ave. New York, N.Y. 10020; (212) 307-1830

Colonial Consulting offers manager evaluation and selection, and performance measurement and analysis for domestic and foreign investments.

It also provides development of policies and objectives, and asset allocation guidance, as well as aiding in the the evaluation and selection of master trustee and custodial banks.

Colonial has special expertise in all services offered as they relate to endowments, foundations and corporate retirement plans.

Retainer clients with the firm number 10. It has two professional consultants.

Fees are paid with hard or soft dollars.

Clients include the trustees of the National Board of YMCAs, the Salvation Army (Eastern and Southern Territories), and Virginia Electric & Power.

The client contact is John R. Goodrich, president.

Computer Directions Advisors Inc.

11501 Georgia Ave., Silver Spring, Md. 20902; (301) 942-1700

Computer Directions provides asset allocation guidance, performance measurement of U.S. stocks, bonds and real estate, and performance analysis and diagnosis.

Computer Directions has special expertise in on-line pension services with color graphics. In addition, it provides 38 market indexes and comparative statistics from 1,200 funds.

Also available is a product for the quarterly analysis of sector concentrations for 1,000 money managers.

The firm had 350 non-retainer clients in 1982. There are four professional consultants in the firm.

Fees are paid with hard and soft dollars.

Clients include Allied Chemical, Marriott and the state of Wisconsin.

The client contact is David Cook, vice president-marketing.

Crocker National Bank

111 Sutter St., San Francisco, Calif. 94104; (415) 477-7551

Crocker National Bank provides development of investment policies and objectives, and asset allocation guidance. It also provides pension liability analysis and U.S. and foreign investment performance measurement and analysis. U.S. manager evaluation and selection is offered on a selective basis.

The bank has special expertise in performance measurement and analysis of investment performance, using the TUCS database to create directly comparable/appropriate portfolio "peer groups."

The firm has 13 retainer clients. There are two professional consultants.

Crocker offers investment management services through commingled funds and individually managed portfolios.

Fees are paid with hard dollars but a soft dollar option is available.

The client contact is George Berla.

d

D.A. Management Consultants Inc.

16541 Gothard St., Suite 202, Huntington Beach, Calif. 92647; (714) 842-0162

D.A. Management Consultants provides development of investment policies and objectives.

It does not offer manager evaluation and selection services.

[illegible] has special expertise in [illegible] equities and mortgages. [illegible] investment manager services in real estate.

There are two professional consultants.

Fees are paid with hard dollars.

Clients include the Orange County Retirement System.

The client contact is Daniel M. Ardell.

Debenham, Tewson & Chinnocks Associates

450 Park Ave., New York, N.Y. 10022; (212) 758-8218

Debenham Tewson is the U.S. subsidiary of Debenham, Tewson & Chinnocks, a United Kingdom-based firm. It specializes in real estate consulting for both U.S. and U.K. funds.

The firm also provides performance measurement of real estate and international investments, and performance analysis and diagnosis.

The firm does not offer manager evaluation and selection but does offer asset allocation guidance and aids in setting investment objectives.

Non-retainer clients in 1982 numbered 26. The firm has five professional consultants.

Fees are paid mostly with hard dollars.

The client contact is N. Mark Houslop, partner.

DeMarche Associates

P.O. Box 7027, Kansas City, Mo. 64113; (913) 384-4994

DeMarche offers investment objective setting, asset allocation guidance, and manager evaluation and selection. It provides performance measurement of U.S. stock, bond, real estate and international investments, and performance analysis and diagnosis.

DeMarche has special expertise in real estate, international investing, oil and gas, and GICs.

Other services offered by the firm include three levels of dynamic asset allocation, including specific asset allocation (timing), recommendation by market sector (investment philosophy) and by asset class and traditional long-term static asset ranges.

The firm has 79 investment clients on retainer and had four non-retainer clients in 1982. The firm has six professional consultants.

Fees are paid with hard or soft dollars.

Clients include Southern California Edison, Inland Steel and Levi Strauss.

The client contact is Samual T. DeKinder, executive vice president.

Dorn & Jhung

700 Larkspur Landing Circle, Suite 270, Larkspur, Calif. 94939; (415) 461-6262

Dorn & Jhung provides development of investment policies and objectives, and asset allocation guidance. It also offers analysis of foreign and domestic investment performance as well as foreign and domestic manager selection and evaluation.

Also, the firm offers evaluation and selection of master trustees, performance measurement vendors, and real estate managers.

It has special expertise in optimization of manager structures, and identification and evaluation of investment styles.

It has four retainer clients. There are two professional consultants.

Fees are paid with hard dollars.

Clients include Amfac, East Bay Municipal Utility District, Albertsons, and Fresh International.

The client contacts are Douglas Dorn and Grafton Jhung.

Dym, Frank & Co.

1718 22nd St., N.W., Washington, D.C. 20008; (202) 667-5001

The firm offers asset allocation guidance and investment objective setting, but does not engage in manager evaluation and selection.

Other services offered include investment strategy advisory services, analysis of monetary and fiscal policy, and quantitative research and development projects.

The firm has special expertise in creating computerized investment decision-making systems for management of institutional equity portfolios including stock selection models and market timing models.

It has five investment clients on retainer. There are two professional consultants and several associates.

Fees are paid with both hard and soft dollars.

Clients include Aetna Life & Casualty, Sterling Grace and the American Foreign Service Association.

In addition to its consulting services, the firm manages both tax-exempt and taxable assets.

The client contact is Charles H. Dym.

e

Effron Enterprises Inc.

353 Westchester Ave., Port Chester, N.Y. 10573; (914) 939-0200

Effron Enterprises provides domestic and foreign performance measurement.

The firm provides an on-line security transaction accounting and reporting system. It also provides customized computer-related services for investment, and financial analysis on its on-line system.

It has special expertise in international investing and convertibles through computerized investment and financial analytical services.

The firm does not engage in manager evaluation and selection.

Fees are paid with both hard and soft dollars.

The client contact is Barry Effron.

Equitable Pension Investment Consulting

1285 Avenue of the Americas, New York, N.Y. 10019; (212) 554-8871

Equitable Pension Investment Consulting provides development of investment policies and objectives, asset allocation guidance, and U.S. investment performance measurement and analysis.

It also offers and specializes in asset/liability planning and manager structure analysis. It does not offer manager evaluation and selection.

Non-retainer clients with the firm number five. There are five professional consultants.

Fees are paid with hard and soft dollars.

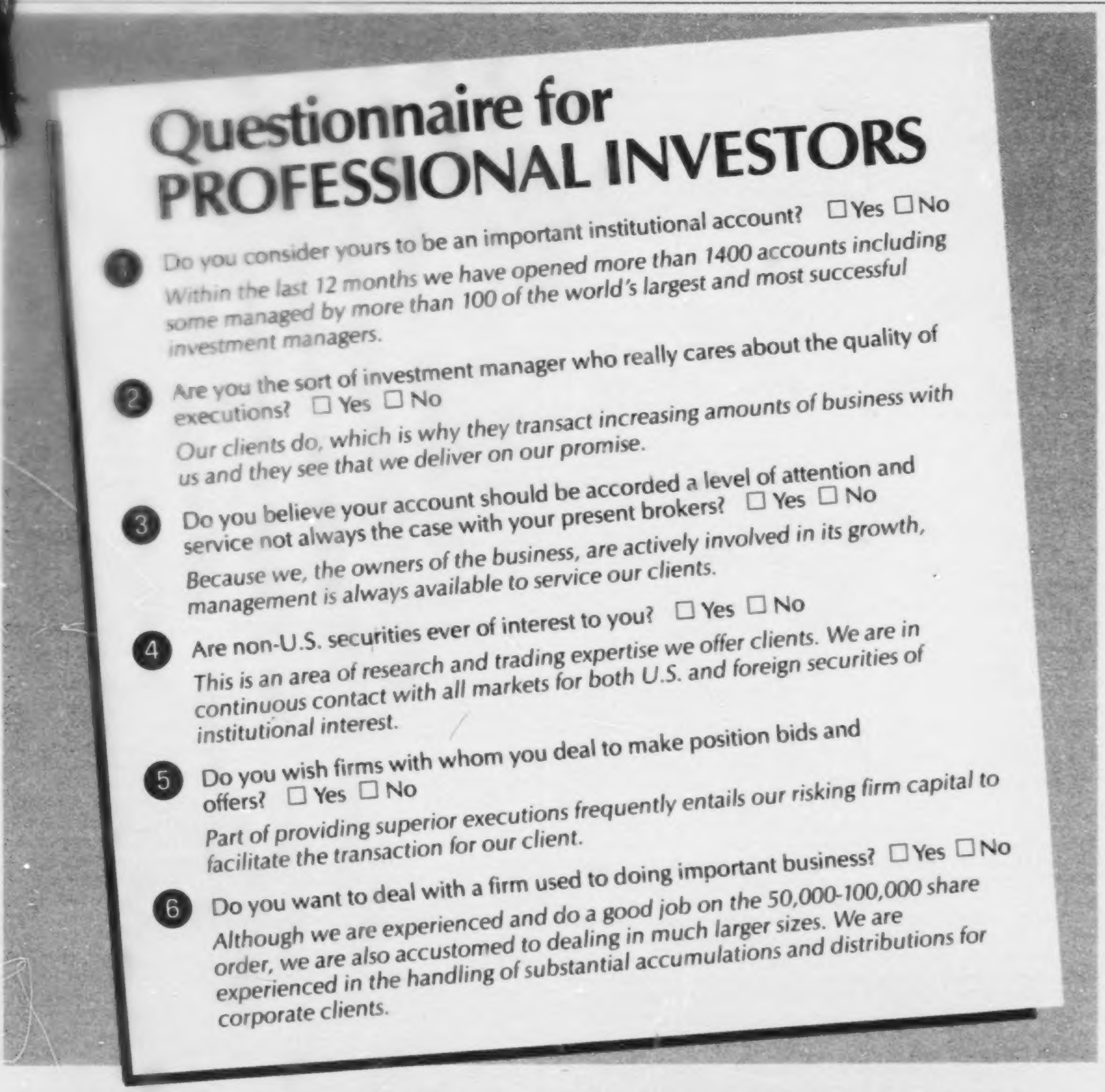
It offers investment management services through pooled separate accounts and individually managed portfolios.

The client contact is Frank P.L. Minard, vice president.

Evaluation Associates Inc.

25 Sylvan Road South, Westport, Conn. 06880; (203) 226-7864

Evaluation Associates provides development of investment policies and



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2. Are you the sort of investment manager who really cares about the quality of executions? ☐ Yes ☐ No

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3. Do you believe your account should be accorded a level of attention and service not always the case with your present brokers? ☐ Yes ☐ No

   Because we, the owners of the business, are actively involved in its growth, management is always available to service our clients.

4. Are non-U.S. securities ever of interest to you? ☐ Yes ☐ No

   This is an area of research and trading expertise we offer clients. We are in continuous contact with all markets for both U.S. and foreign securities of institutional interest.

5. Do you wish firms with whom you deal to make position bids and offers? ☐ Yes ☐ No

   Part of providing superior executions frequently entails our risking firm capital to facilitate the transaction for our client.

6. Do you want to deal with a firm used to doing important business? ☐ Yes ☐ No

   Although we are experienced and do a good job on the 50,000-100,000 share order, we are also accustomed to dealing in much larger sizes. We are experienced in the handling of substantial accumulations and distributions for corporate clients.

If you answer the above questions affirmatively, we would appreciate the opportunity of meeting with you for the purpose of describing the services we offer.

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objectives, and asset allocation guidance. It also offers U.S. and foreign manager evaluation and selection as well as U.S. performance measurement and analysis.

It has special expertise in qualitative evaluation of investment styles and organization.

Retainer clients with the firm number 47.

There are six professional consultants. Fees are paid with hard and soft dollars.

Clients include Gulf Oil, Nabisco Brands, CPC International, Minnesota State Board of Investment and Consolidated Edison.

The client contact is Edward Broom.

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f

The Fiduciary Consulting Group of Butcher & Singer

2200 Pittsburgh National Building,
Pittsburgh, Penn. 15222; (412) 471-4700

Butcher & Singer's Fiduciary Consulting Group offers domestic and foreign manager evaluation and selection, and domestic and foreign performance measurement. However, it offers domestic investment performance analysis, only.

The firm also aids in the development of investment policies and objectives, and asset allocation guidelines.

Services include its Graphical Ranking of Investment Descriptors (G.R.I.D.), a portfolio classification and ranking system.

It specializes in asset mix and manager simulation techniques, implementation and evaluation of salary reduction or 401(k) plans, and the establishment of dedicated and immunized bond portfolios.

The firm has 58 retainer clients. Non-retainer clients number 10. There are 12 professional consultants.

Fees are paid 10% with hard dollars and 90% with soft dollars.

Clients include Binney & Smith, Coopers & Lybrand, the City of Pittsburgh and Wheeling-Pittsburgh Steel.

The client contact is James E. Yanni, senior vice president. The money manager contact is Grant D. Kalson, vice president.

Gifford Fong Associates

233 Wilshire Blvd., Suite 303, Santa Monica, Calif. 90401; (213) 393-9891

Gifford Fong Associates offers asset allocation guidance and investment objective setting. It also provides domestic and foreign performance measurement, analysis and diagnosis. Gifford Fong does not engage in manager evaluation or selection.

It has expertise in fixed-income analysis, including active and passive management, and immunization.

Fees are paid mostly with soft dollars. The firm has 18 professional consultants.

Clients include the state of Connecticut, Republic Steel and the state of California.

The client contact is Gifford Fong, president.

Fund Monitoring Services

6 East 45th St., New York, N.Y. 10017; (212) 661-5560

Fund Monitoring Services offers manager evaluation and selection, asset allocation guidance and assists in setting investment objectives. It also provides domestic and foreign performance measurement, and performance analysis and diagnosis.

Fund Monitoring Services provides software systems for either installation or on-line for accounting and monitoring functions.

Fees are paid with hard and soft dollars. The firm has four professional consultants.

The client contact is Len Greer, president.

g

F. Gehm & Associates

2727 Midtown, Suite 37, Palo Alto, Calif. 94303; (415) 328-6539

F. Gehm & Associates provides development of investment policies and objectives. It also offers domestic manager evaluation and selection, and domestic performance measurement and analysis.

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Other services provided by the firm include new financial products, portfolio strategy, price behavior and especially the use of futures and options.

It has expertise in futures and in the management and reduction of investment risk and cost.

There is one professional consultant.

Fees are paid with hard or soft dollars.

The client contact is Fred Gehm.

Robert Gentry & Associates Ltd.

5950 Hopi Station, Scottsdale, Ariz. 85261; (602) 998-8046

Robert Gentry & Associates provides development of investment policies and objectives, and asset allocation guidance. It provides evaluation and selection of domestic and foreign managers, and U.S. and foreign investment performance measurement. It offers U.S. investment performance analysis.

Other services offered by the firm include risk management and portfolio strategy, multimanager controls, and analysis of factors contributing to performance.

It has 105 clients on retainer. Non-retainer clients number 11.

There are nine professional consultants. Fees are paid with hard and soft dollars.

Clients include the Delaware Employees' Retirement Fund, ICI Americas Pension Fund, the Virginia Supplemental Retirement System, Cardinal International Investments, and the Foundation for the Junior Blind.

The client contact is Robert Gentry.

h

Hamilton, Johnston & Co.

101 Carnegie Center, Princeton, N.J. 08540; (609) 452-0300. Also: 52 Vanderbilt Ave., New York, N.Y. 10017; (212) 682-8680

Hamilton, Johnston & Co. provides development of investment policies and objectives, and asset allocation guidance. It also offers domestic and foreign manager evaluation and selection, and domestic and foreign investment performance measurement and analysis.

Other services include systems for portfolio record keeping, accounting and performance measurement, and performance measurement data bases.

The firm has 35 retainer clients. Non-retainer clients number five. Clients using the firm's data services number 50.

There are six professional consultants. Fees are paid with hard and soft dollars.

Clients include R.J. Reynolds, Pan American, the state of New York, and the Institute for Advanced Study.

The client contact is James R. Hamilton.

A.S. Hansen Inc.

1080 Green Bay Road, Lake Bluff, Ill. 60044; (312) 234-3400

A.S. Hansen provides development of investment policies and objectives and asset allocation guidance. It offers domestic manager evaluation and selection, and also provides performance measurement in the areas of U.S. stocks, bonds, real estate and international investments. It offers performance analysis and diagnosis.

A.S. Hansen has special expertise in real estate, international investing, venture capital, oil and gas, GICs and portfolio performance analysis. It offers a diagnostic tool to evaluate characteristics of an investment manager's approach to equity and fixed-income management.

The firm also offers employee benefits actuarial determination and employee benefits plan design, communication and administration.

It has eight professional consultants. Fees are paid in cash only.

Clients include Arther Andersen, Illinois Municipal Retirement Fund, Pioneer Corp. and Storage Technology.

The client contact is S.A. Lincoln, director.

Harris Trust and Savings Bank

111 West Monroe St., Chicago, Ill. 60690; (312) 469-3747

Harris Trust provides development of investment policies and objectives, and asset allocation guidance. It provides U.S. manager evaluation, and domestic investment performance measurement and analysis.

The bank also provides defining benchmark or normal portfolios.

It has special expertise in the use of microcomputers for pension analysis purposes, and expertise in customized index funds.

The bank has 12 retainer and seven non-retainer clients.

There are four professional consultants. Fees are paid with hard and soft dollars.

Clients include Air Products and Chemicals, Allis-Chalmers, Delta Air Lines, Kellogg Co. and Owens-Illinois.

Investment management services are offered by the bank.

The client contact is Thomas M. Richards.

Hazlehurst & Associates Inc.

600 Gas Light Tower, 235 Peachtree St. N.E., Atlanta, Ga. 30303; (404) 688-0602

Hazlehurst & Associates provides development of investment policies and objectives, and asset allocation guidance. The firm offers manager evaluation and selection, and provides domestic performance measurement, analysis and diagnosis. It provides performance measurement for real estate and international investments.

Hazlehurst provides actuarial services, plan design/administration and asset/liability forecasting.

The firm has special expertise in real estate, international investing, venture capital, oil and gas, and GICs.

The firm had 25 non-retainer clients in 1982.

It has 10 professional consultants. Fees are paid mostly with hard dollars.

The client contact is James Davies, investment consultant.

Randall Helms Fiduciary Consultants Inc.

Suite 9400, Two World Trade Center, New York, N.Y. 10048; (212) 775-1039

Randall Helms Fiduciary provides development of investment policies and objectives, and asset allocation guidance. It provides U.S. investment performance measurement and analysis. It also provides limited analysis and measurement of foreign investment performance, and limited evaluation and selection of U.S. managers.

The firm provides economic forecasting. It also provides investment management services.

It has 30 retainer clients. There are four professional consultants.

The client contact is James E. Huttan, vice president-marketing.

Hewitt Associates

100 Half Day Road, Lincolnshire, Ill. 60015; (312) 295-5000

Hewitt Associates provides development of investment policies and objectives, and asset allocation guidance. The firm also offers domestic, foreign and real estate manager evaluation and selection. It provides measurement and analysis of U.S. investment performance. It also offers evaluation of GICs and venture capital opportunities. It has 30 retainer clients; and 50 non-retainer clients.

There are nine professional consultants. Fees are paid with hard dollars.

Clients include American Can, Hershey Foods, Smith International and the Savings Bank Retirement System.

The client contact is Ronald Jones.

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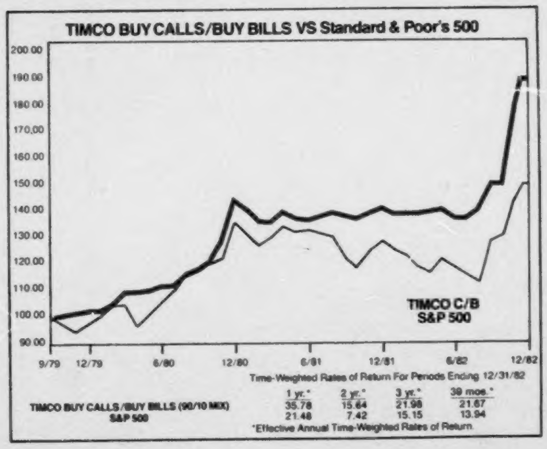
Introducing The Travelers Buy Calls/Buy Bills Option Strategy.

It's one of a number of option strategies that TIMCO has developed since 1978. Simply, it allows a plan sponsor to participate in the common stock markets through the purchase of call options from a diversified list of 40-50 attractive securities. At the same time, the vast majority of the portfolio assets are invested in quality, short-term "riskless" securities. The objective is to profit in a bull market, and at least match the returns of the S&P 500 index in a flat market. At the same time, this strategy reduces overall volatility and protects against downside risks of a bear market.



TIMCO's Buy Calls/Buy Bills option strategy is as flexible as it is effective. Our investment specialists will work closely with you to determine your optimum level of call option participation—anywhere from five to 15 percent of the total portfolio assets.

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The Travelers Investment Management Company (TIMCO)

One Tower Square
Hartford, Connecticut 06115

The Travelers

Higgins Associates

24 Federal St., Boston, Mass. 02110;
(617) 426-1018

Higgins Associates provides development of investment policies and objectives, and asset allocation guidance. The firm offers domestic and foreign manager evaluation and selection, as well as domestic and foreign performance measurement and investment analysis.

Other services offered include master trust accounting systems, mutual fund risk evaluation, and risk pool asset/liability programs.

It has special expertise in asset allocation, manager selection, and trust and insurance accounting.

The firm has 10 retainer and 24 non-retainer clients.

There are five professional consultants. Fees are paid with hard dollars.

The firm offers investment management services through mutual funds.

Clients include Western Union and Scovill. The client contact is Edwin M. Higgins.

B.G. Hitchens Capital Management

1176 W. Georgia St., Georgia Place,
Suite #1430, Vancouver, B.C. V6E
4A2, Canada; (604) 669-5588

B.G. Hitchens Capital offers Canadian, U.S., and foreign manager evaluation and selection. It also provides development of investment policies and objectives, and asset allocation guidance. The firm offers Canadian, U.S. and foreign investment performance measurement and analysis.

Other services provided by the firm include policy compliance and pension committee membership.

B.G. Hitchens publishes COMSTAT, a series of measurement systems. Its Canadian base offers five performance measurement systems.

The firm has 47 retainer and 95 non-retainer clients.

There are three professional consultants. Fees are paid with hard and soft dollars.

Clients include McIntyre, N.M. Rothschild, National Trust, Manufacturer's Life, Alberta Treasury and the AFL-CIO-CLS.

Barry G. Hitchens, president, is the client contact.

E.F. Hutton Consulting Group

141 W. Jackson Blvd., Chicago, Ill.
60604; (312) 435-3075

E.F. Hutton Consulting Group helps in setting investment policies and objectives, and offers asset allocation guidance. The firm offers domestic and foreign manager evaluation and selection, U.S. performance measurement and analysis of U.S. investment performance.

The firm has special expertise in investment manager consulting for smaller pools of assets ($10 million and under).

The firm has over 100 retainer clients. Non-retainer clients total over 300.

There are 18 professional consultants. Fees are paid with hard and soft dollars.

The firm offers investment management services through Hutton Asset Management, Hutton Investment Management and Hutton Capital Management. It also offers trust services through its wholly owned E.F. Hutton Trust Co.

Clients include Arizona Retirement System, Arkansas Teachers Retirement System and Dana Corp.

The client contact is John Ellis.

i

INDATA

300 Peachtree Street, Suite 10-G,
Atlanta, Ga. 30308; (404) 523-8500

INDATA provides specialized investment analysis to money managers and plan sponsors.

Performance analysis and comparisons are delivered weekly for portfolios in stocks, bonds and other assets. Those reports also provide diagnosis in portfolio fundamental structure, industry selection, stock selection and timing. The firm has over $100 billion in its portfolio evaluation system divided into nine universes against which a portfolio can be ranked.

Manager evaluation and selection can be judged through the INDATA reports.

Other services offered include weekly tailor-made research systems which enable the client to input variables such as earnings estimates, risk definitions and other factors. Answers to evaluation models are then delivered.

The firm has over 500 clients on retainer.

There are six professional consultants. Fees are paid mostly with soft dollars.

The client contact is William P. Kennedy, partner.

Ingalls & Snyder

61 Broadway, New York, N.Y. 10006;
(212) 269-7800

Ingalls & Snyder offers manager evaluation and aids in setting investment objectives. It also provides performance analysis and diagnosis.

The firm has special expertise in the design of software systems for investment management. It also provides quantitative analysis of equity portfolio structures, comparative manager monitoring, quarterly investment-characteristic analysis of market sectors, and historical graphic presentations of client-selected stock groupings.

It has 50 clients on retainer.

There are two professional consultants. Fees are paid mostly with soft dollars.

The client contacts are David J. Hatch and C. Nicholas Spofford.

InterSec Research Corp.

48 Signal Rd., Stamford, Conn.
[illegible]02; (203) 348-7101

InterSec Research, an international investment specialist, provides development of investment policies and objectives, and asset allocation guidance. It provides foreign manager evaluation and selection, as well as foreign investment performance measurement and analysis.

Other services offered include a comparative analysis of the rules and practices of pension asset management in all the major countries of the world for multinational corporations. For international financial institutions, the firm offers research and consultation regarding the global pension market and strategic opportunities within it.

InterSec specializes in international investing and overseas pension systems, focusing exclusively on the international diversification of pension assets.

The firm has 51 clients on retainer. Non-retainer clients in 1982 numbered 20.

The firm has eight professional consultants. Fees are paid with hard and soft dollars.

The client contact is Chris Nowakowski, president.

j

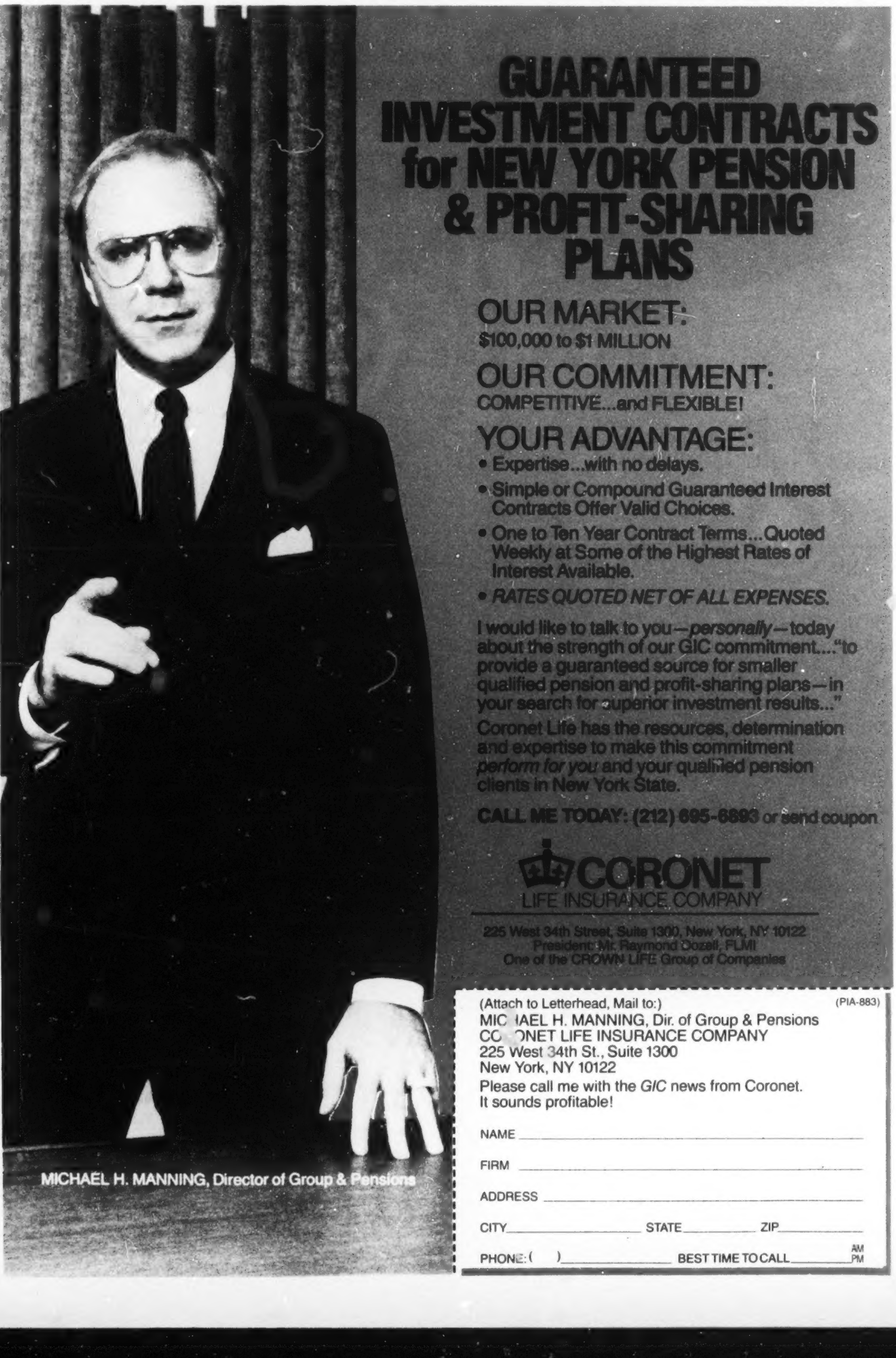
J&H Equity Corp.

95 Wall St., New York, N.Y. 10005;
(212) 701-7500

J&H Equity is a subsidiary of Johnson & Higgins, a risk management, actuarial and employee benefit plan consulting firm.

The firm offers manager evaluation and selection, asset allocation guidance and assists in setting investment objectives. It also provides performance measurement of U.S. stocks and bonds, and performance analysis and diagnosis.

The firm has special expertise in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GICs, and can also provide employee stock ownership plan feasibility studies.

It also provides employee benefit plan designs, consulting and actuarial services, pension cost forecasting and immunization studies.

The firm has 20 retainer and six non-retainer clients.

There are six professional consultants. Fees are paid mostly with hard dollars.

Clients include BP North America, American Honda Motor, Chubb Corp. and Puerto Rico Telephone.

The client contact is Edward C. Katz, president.

k

Ronald A. Karp Associates

47 Maple Street, Summit, N.J. 07901;
(201) 522-1414

Ronald A. Karp Associates offers manager evaluation and selection, asset allocation guidance and assists in setting investment objectives. It also provides performance measurement of U.S. stocks, bonds, international securities, and real estate, and performance analysis and diagnosis.

Karp Associates has special expertise in international markets, real estate and GICs. It offers research and analytical studies on the rationale for international, real estate, and GIC investments.

The firm has 12 clients on retainer. Non-retainer clients number 15.

There are three professional consultants. Fees are paid mostly with hard dollars.

Clients include Brockway Glass, Insilco Corp., the Pennsylvania State Employees and the Kaiser Permanent Medical Group. The client contact is Ronald A. Karp.

Neil B. Kauffman, Registered Investment Adviser

1900 Market Street, Suite 700,
Philadelphia, Pa. 19103; (215)
568-1908

The firm provides development of investment policies and objectives, and asset allocation guidance.

It offers foreign and domestic manager evaluation and selection, and foreign and domestic performance measurement and analysis.

The firm's focus is on small- and medium-size companies, and not-for-profit companies.

Fees are paid with hard dollars.

The client contact is Neil B. Kauffman.

Thomas D. Kienlen Corp.

975 Oak St., Suite 625, Eugene, Ore.
97401; (503) 686-2744

Thomas D. Kienlen Corp. offers manager evaluation and selection, asset allocation guidance and investment objective setting. It also provides performance measurement for U.S. stocks and bonds, and performance analysis and diagnosis.

The firm has special expertise in financial planning for both individuals and businesses. It also offers a market timing service.

The firm has 400 non-retainer clients. There are two professional consultants. Fees are paid mostly with hard dollars.

The client contact is Thomas D. Kienlen, president, or Jon F. Larson, certified financial planner.

l

Kenneth Leventhal & Co.

2049 Century Park East, Los Angeles,
Calif. 90067; (213) 277-0880

Kenneth Leventhal & Co. provides development of investment policies and objectives, and asset allocation guidance.

The firm offers domestic and foreign manager evaluation and selection, as well as domestic and foreign performance measurement and analysis. Its expertise is in real estate investments. The firm publishes Strategic Real Estate, a monthly newsletter on real estate investment issues.

The firm has more than 1,000 retainer clients; non-retainer clients number more than 1,000.

There are more than 100 consultants. Fees are paid primarily with hard dollars.

Stephen E. Roulac, chairman, National Management Advisory Services, is the client contact.

Lewis, Bailey Associates Inc. (Cambridge Associates)

600 New Hampshire Ave. N.W.,
Washington, D.C. 20037; (202)
298-3400

Lewis Bailey offers manager evaluation and selection, asset allocation guidance and assists in setting investment objectives. It provides performance measurement of U.S. stocks, bonds, real estate and international investments. Lewis Bailey also offers performance analysis and diagnosis.

The firm has special expertise in real estate, international investments, venture capital, oil and gas, GICs, options, commodities and timberland custody.

The Cambridge Associates' arm of the firm is situated in Boston and specializes in working with endowments and other non-profit institutions. Lewis, Bailey specializes in working with pension funds.

Fees are paid mostly with hard dollars.

Clients are not disclosed; however, the firm says it is a consultant for a large number of university endowments.

The client contacts are Hunter Lewis, managing director, in Washington, and David Thurston, senior vice president, in Boston at (617) 482-8540.

Lipper Consulting Services

5 Carol Rd., Westfield, N.J. 07090;
(201) 233-8100

Lipper provides development of investment policies and objectives, and asset allocation guidance. The firm offers U.S. manager evaluation and selection, and provides performance measurement and analysis of U.S. and foreign investments.

The firm has special expertise in open and closed-end investment companies. It provides continuing analysis of performance, portfolios and other relevant factors for over 1,000 funds.

Lipper consulting has five investment clients on retainer. Non-retainer clients number 10.

There are three professional consultants. Fees for consulting and advisory services are paid mostly with hard dollars, and fees for publication are paid mostly with soft dollars.

An affiliate, Lipper Analytical Services, manages tax-exempt assets.

Clients include the World Bank Pension Plan, Texas Gulf, the American Stock Exchange, and the Securities Industry Association.

The client contact is A. Michael Lipper, president.

m

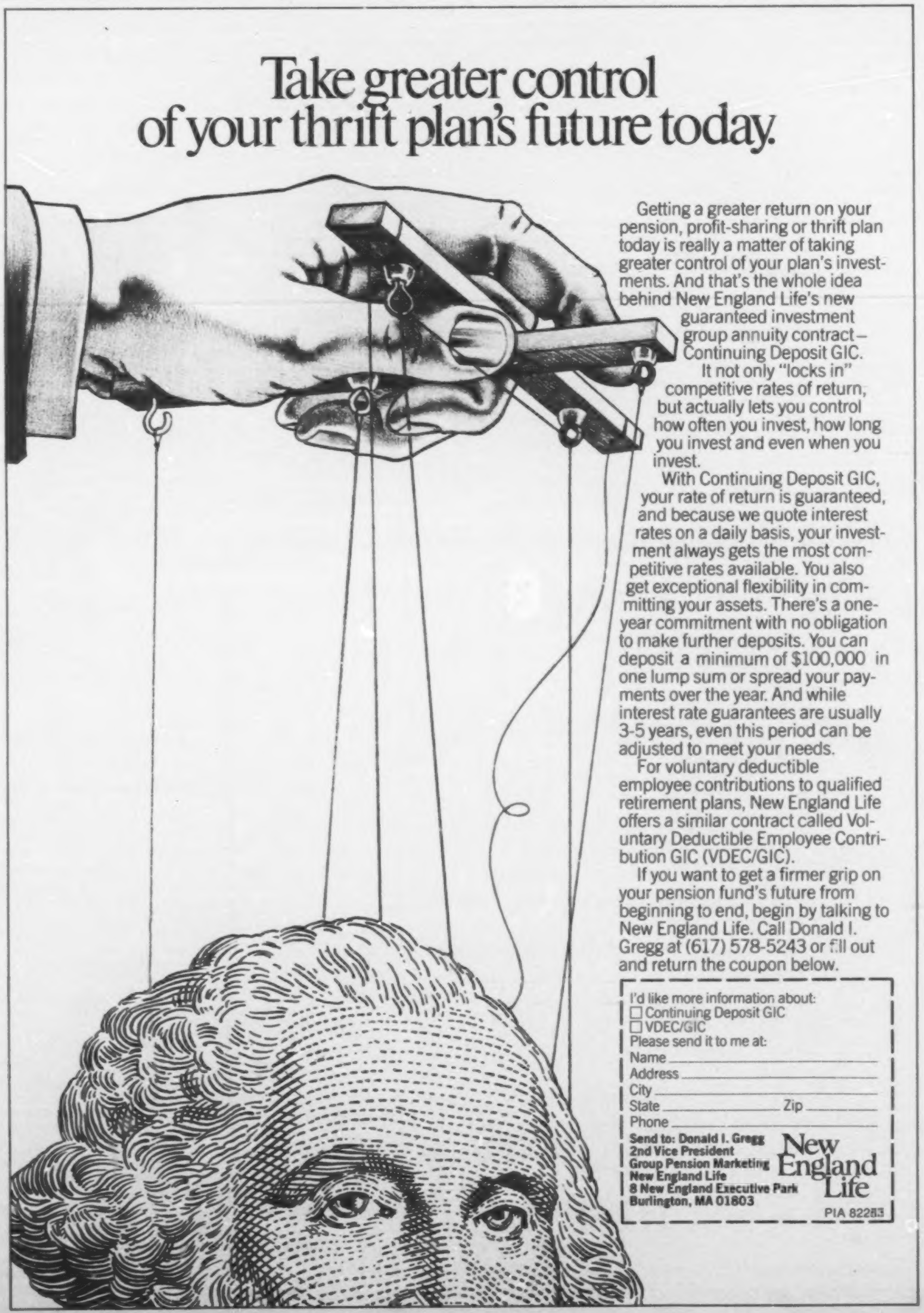
Mann, Levine & Weiss Ltd.

9933 North Lawler, Skokie, Ill. 60077;
(312) 673-1960

Mann, Levine & Weiss offers manager evaluation and selection, asset allocation guidance, investment objective setting and performance analysis and diagnosis.

The firm provides "cradle to grave" services to pension funds including plan design and administration. It also offers pre-retirement seminars to corporate employees who reach age 55.

The firm currently has 310 retainer



Take greater control of your thrift plan's future today.

Getting a greater return on your pension, profit-sharing or thrift plan today is really a matter of taking greater control of your plan's investments. And that's the whole idea behind New England Life's new guaranteed investment group annuity contract – Continuing Deposit GIC.

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For voluntary deductible employee contributions to qualified retirement plans, New England Life offers a similar contract called Voluntary Deductible Employee Contribution GIC (VDEC/GIC).

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2nd Vice President
Group Pension Marketing
New England Life
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Burlington, MA 01803

New England Life

PIA 82283

clients. It had 26 non-retainer clients.

The firm has three professional consultants. Fees are paid with hard dollars.

The client contact is Jerome Mann, president.

James P. Marshall Inc.

10 King St. E., 10th Floor, Toronto,
Ontario M5C 1C3, Canada; (416) 361-0225

James P. Marshall Inc. provides investment policies and objective setting, and guides in determining the appropriate asset allocation for Canadian funds. It aids in U.S. and foreign manager evaluation and selection. It also provides U.S. performance measurement and analysis.

Other services include master trustee selection and surveys that evaluate real estate.

The firm has special expertise in investment policies, manager evaluation and selection, and establishing internal pension fund management departments.

The firm has 17 retainer clients and 10 clients for whom it provides an annual service.

There are five professional consultants. Fees are paid with hard dollars.

Clients include C.S.L., Zeller's, Coca-Cola, Otis Elevator and Saskatchewan Health-Care.

The client contact is M. Ann Marshall.

Meidinger Asset Planning Services Inc.

2600 Meidinger Tower, Louisville
Galleria, Louisville, Ky. 40202;
(502) 561-4500

Meidinger Asset Planning offers domestic and foreign manager evaluation and selection, and performance measurement and analysis for domestic and foreign investments.

The firm also assists in setting investment policies and objectives, and offers asset allocation guidance.

Other services include insurance contract placement and negotiation, master trustee selection and real estate manager evaluation.

It has special expertise in pension asset and liability simulation and management, manager selection, and combined actuarial and investment annual evaluation.

The firm has 100 retainer clients. Non-retainer clients number 350.

There are 17 professional consultants. Fees are paid with soft dollars.

Clients include the District of Columbia, Ernst & Whinney, the Major League Baseball Players Assoc., Federal Express, New England Electric and Cincinnati Bell.

The client contact is David Eager.

James Meketa Associates

1029 Beacon St., Newtown Center,
Mass. 02159; (617) 786-6168

James Meketa Associates provides development of investment policies and objectives, and offers asset allocation guidance. It also provides U.S. performance measurement and analysis.

It has special expertise in structuring multimanager approaches for endowment, Taft-Hartley and ERISA plans.

Retainer clients with the firm number 20. Non-retainer clients number 15.

The firm has six professional consultants. Fees are paid with hard dollars.

The client contact is Alan D. Spatrick.

William M. Mercer Inc.

1211 Avenue of the Americas, New
York, N.Y. 10036; (212) 997-7162

William M. Mercer is a subsidiary of Marsh & McLennan Companies, a financial services company. The parent has two money management subsidiaries.

Mercer offers U.S. manager evaluation and selection, asset allocation guidance, and assists in setting investment policies and objectives. It also provides performance measurement and analysis of U.S. investments.

Other services offered by the firm include consulting on all aspects of plan design, funding, communication and administration.

The firm has special expertise in international investments and GICs.

It has an extensive network of offices in major financial centers.

Non-retainer clients number 210.

There are 30 professional consultants. Fees are paid only with hard dollars.

The client contact is Andrew Shewan, principal.

Minot, DeBlois & Maddison

294 Washington St., Boston, Mass.
02108; (617) 542-5910

Minot, DeBlois & Maddison offers management, evaluation, selection and appraisal of real estate assets.

It has special expertise in real property asset management for institutions.

The firm has 12 retainer clients. Fees are paid with hard dollars.

The client contact is Richard E. Bonz, president.

o

Orben Associates Inc.

40 Wall Street, New York, N.Y. 10005;
(212) 269-9191

Orben Associates offers manager evaluation and selection, asset allocation guidance and assists in setting investment objectives. It also provides performance measurement of U.S. stocks and bonds, and performance analysis and diagnosis.

Orben Associates has special expertise in venture capital and oil and gas.

The firm has seven retainer clients. Non-retainer clients number eight.

There are two professional consultants. Fees are paid with hard dollars.

Clients include General Computer, Interfaces, Estate Management Co. and Quaser Industries.

The client contact is Jack R. Orben.

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740 N. Rush St.
Chicago, Ill. 60611
(312) 649-5484

p

Peat, Marwick, Mitchell & Co. Investment Supervision Group

345 Park Ave., New York, N.Y. 10154;
(212) 872-5949

Peat Marwick provides development of investment policies and objectives, and asset allocation guidance.

The firm offers domestic and foreign manager evaluation and selection, and domestic and foreign investment performance measurement and analysis.

Other services include master trust evaluation, GIC and option evaluation, and investment programs for captive insurance companies.

It has special expertise in investment strategy and policy for Blue Cross/Blue Shield plans as well as employee benefit plans.

Retainer clients number 20. Non-retainer clients in 1982 numbered 30.

There are eight professional consultants. Fees are paid with hard dollars.

Clients include Owens-Corning Fiberglass, Telect Insurance, Blue Cross/Blue Shield of Virginia and Ogilvy & Mather.

The client contacts are Brian Rom and Jeanne Gustafson, managers.

Pension Finance Associates Ltd.

Suite 385, 146 Front St., Toronto,
Ontario M5J 2L7, Canada; (416) 598-2231

Pension Finance provides development of investment policies and objectives, and offers asset allocation guidance. The firm offers Canadian and foreign manager evaluation and selection, and performance measurement and analysis for Canadian and foreign investments.

It will also take an on-going advisory role, provide supervision of investment programs, and aid in determining the role of the pension fund committee. Other services include setting funding policy, providing investment research and performing special projects.

It has special expertise in asset mix policy and in manager research.

The firm has 12 retainer clients. Non-retainer clients number 45.

There are 16 professional consultants. Fees are paid with hard dollars.

The client contacts are Bob Mitchell and J.J. Woolverton.

Pension Profiles

Snug Harbor, Duxbury, Mass. 02332;
(617) 934-5500

Pension profiles is a statistical service providing quarterly portfolio performance review of reported earnings and payout of each holding as well as overall total return.

It also serves as outside trustee and consultant for investment policy, asset allocation, and manager selection oversight.

Services are available by retainer or particular task.

Fees are paid with hard dollars only.

The client contact is Daniel H. Sangster, principal.

Pension Realty Advisors Inc.

220 Montgomery, San Francisco,
Calif. 54104; (415) 421-4000

Pension Realty assists in setting investment policies and objectives, and offers asset allocation guidance. It also offers U.S. manager evaluation and selection and U.S. performance measurement.

It has special expertise in real estate.

The firm has two retainer clients.

There are four professional consultants. Fees are paid with hard dollars.

Clients include the State of California Public Employees Retirement System and the City of San Jose Federated Employees Retirement System.

The client contact is William L. Ramseyer.

Performance Assessment Ltd.

Empire House, St. Martin's-le-Grand,
London, EC1A 4ED, England;
01-600- 8105

Performance Assessment, a subsidiary of Bacon & Woodrow, provides development of investment policies and objectives.

It also provides performance measurement and analysis of foreign investments.

It has special expertise in performance measurement and analysis of foreign investments. It uses daily transactions to determine exact attribution of results for currencies, markets, stock selection, timing, and asset allocation. Such reports are customized.

There are five professional consultants. Fees are paid with hard and soft dollars.

The client contact is Gordon Morrison.

Prudential Bache Securities

100 Gold St., New York, N.Y. 10038;
(212) 791-7571

Prudential Bache Securities, a subsidiary of the Prudential Insurance Co. of America, aids in setting investment policies and objectives, and provides asset allocation guidance.

The firm offers U.S. manager evaluation and selection, and performance measurement and analysis for domestic investments.

It specializes in working with the second tier of the Fortune 1,000 companies, public- and Taft-Hartley funds.

The firm has over 200 retainer clients. Non-retainer clients number 18.

There are three professional consultants. Fees are paid with hard and soft dollars.

Clients include A&P, the Chamber of Commerce of the United States, Hexcel Corp., city of San Jose, and the city of Miami.

The client contact is James C. Garrels, vice president.

q

Quantec Ltd.

30 East 10th St., New York, N.Y.
10003; (212) 777-3173

Quantec provides development of investment policies and objectives, and asset allocation guidance. The firm also offers U.S. and foreign investment performance analysis and international portfolio risk analysis.

Quantec has special expertise in quantitative investment technology and international investment management systems.

It has six retainer clients and six non-retainer clients.

There are three professional consultants. Fees are paid with soft dollars.

Clients include Morgan Guaranty, Prudential, Citibank and Bankers Trust.

The client contact is Jason MacQueen.

Quan-Vest Consultants Inc.

126 Mill Spring Road, Manhasset,
N.Y. 11030; (516) 365-4619

Quan-Vest provides development of investment policies and objectives, and asset allocation guidance. It also provides GIC evaluation, U.S. manager evaluation and selection, and U.S. investment performance measurement and analysis.

It specializes in long range planning, computer-aided decision analysis and financial institution management consulting.

It has nine retainer clients. Non-re-

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The keys to our consistently superior performance have always been flexible strategies, and the close personal attention of talented professionals motivated by an equity participation.

To learn more, call or write Robert C. Elliott, Executive Vice President, Bessemer Trust Company, N.A., 630 Fifth Avenue, New York, NY 10111, (212) 708-9141.

Bessemer Trust

Affiliated with Bessemer Trust Company, New Jersey and Bessemer Trust Company of Florida

tainer clients numbered 10.

There are three professional consultants. Fees are paid with hard and soft dollars.

Clients include Uniformed Fire Officers, the National Maritime Union and the Textile Workers Union.

The client contact is Anthony F. Lotruglio.

r

Realty Research Inc.

18000 Pacific Highway, Suite 1115,
Seattle, Wash. 98188; (206)
244-0080

Realty Research specializes in real estate consulting. The firm offers manager evaluation and selection, asset allocation guidance and assists in setting investment objectives. It also provides performance measurement for U.S. stocks, bonds and real estate, and performance analysis and diagnosis.

Realty Research says it has special expertise in all forms of real estate investing, limitied partnerships, pooled funds, REITS, specific properties debt and debt/equity mix.

The firm has 21 retainer clients. Non-retainer clients number 20.

There are six professional consultants. Fees are paid equally with soft and hard dollars.

An affiliate, Comstock Realty manages tax-exempt assets.

Clients include Environmental Research Development and Keywest Corp.

The client contact is John Kennedy.

Daniel Reeves & Co. Inc.

12233 West Olympic Blvd., Suite 160,
Los Angeles, Calif. 90064; (213)
820-6611

Daniel Reeves & Co. provides guidance in setting investment policies and objectives, and appropriate asset allocation. It offers U.S. manager evaluation and selection, and performance measurement.

Also, the firm offers assistance in alternative investments such as real estate and Government National Mortgage Association management.

It has special expertise in investment packages designed for 401(k) plans, selecting corporate trustees and/or master trustees, and manager selection and screening.

Retainer clients number 18. Non-retainer clients number 35.

There are four professional consultants. Fees are paid with hard and soft dollars.

The firm offers investment management services through Bostian Research Associates Inc.

Clients include Southern California Rapid Transit, Sacramento Regional Transit, Del E. Webb Foundation, Kaiser Steel and GTI Corp.

The client contact is Thomas C. Jones.

Rogers, Casey & Barksdale

29 Federal Street, Stamford, Conn.
06901; (203) 356-9400

Rogers, Casey and Barksdale provides development of investment policies and objectives, and asset allocation guidance. It also offers U.S. and foreign manager evaluation and selection, and performance measurement and analysis for domestic and foreign investments, as well as computerized diagnostics of multiple manager investment structures.

It has special expertise in real estate, international investing, and in less well-known foreign and domestic equity managers.

RCB assists in the supervision of special investment programs not generally available from traditional management resources.

Retainer clients with the firm number 28.

There are six professional consultants. Fees are paid with hard dollars.

The client contact is Ed Barksdale.

Frank Russell Co.

P.O. Box 1616, Tacoma, Wash.
98401; (206) 591-3471

Frank Russell Co. offers manager evaluation and selection, asset allocation guidance and investment objective setting. It also provides performance measurement in the areas of U.S. stocks, bonds, real estate and international. Performance analysis is also provided.

It has special expertise in real estate and international investments. The firm also offers advice on investment strategy planning; and research and recommendation of money management organizations in various disciplines, including equities, fixed-income, real estate, international and other alternatives. It will also monitor and report on all aspects of the investment process, both domestically and internationally.

Frank Russell has 29 international clients on retainer. Domestic retainer clients are limited to 40.

The firm has 60 professional consultants. Fees are paid with hard and soft dollars.

Two subsidiaries, Frank Russell Investment Management Co., and Frank Russell Trust Co., manage tax-exempt assets. Clients include IBM, Bendix and Weyerhaeuser.

The client contact is Brian F. Barker, director of communications.

S

Segal Advisors Inc.

730 Fifth Ave., New York, N.Y. 10019;
(212) 586-5600

Segal Advisors provides development of investment policies and objectives, and asset allocation guidance. It offers U.S. manager evaluation and selection, and performance measurement and analysis for U.S. investments.

It also offers evaluation and negotiation of insurance company contracts for retirement plans.

It has special expertise in helping clients establish investment programs for individual account retirement plans, and in the analysis and evaluation of insurance company contracts, and real estate investment vehicles.

The firm has 25 retainer clients. There are three professional consultants. Fees are paid with hard dollars.

The firm also has the resources of the parent company, Martin E. Segal Co., available to it.

Clients include Ames Department Stores, Suburban Propane Gas Company, AFTRA Pension Fund, Sheet Metal Workers National Pension Fund and the Wyoming Retirement System.

The client contact is Martin Levenson, senior vice president.

Stolper and Co. Inc.

770 'B' St., Suite 420, San Diego,
Calif. 92101; (619) 231-9102

Stolper and Co. provides development of investment policies and objectives, and asset allocation guidance. The firm offers U.S. manager evaluation and selection, and performance measurement and analysis for U.S. investments.

It specializes in manager evaluation and selection for funds with $1 million to $10 million in assets.

It has 260 retainer clients. There are two professional consultants. Fees are paid with hard and soft dollars. The client contact is Michael Stolper.

W

Wilshire Associates

1299 Ocean Ave., Santa Monica,
Calif. 90401; (213) 451-3051

Wilshire Associates offers manager evaluation and selection, asset allocation guidance and assists in setting investment objectives. It also provides performance measurement for U.S. stocks, bonds, real estate and international investments, and performance analysis and diagnosis.

Wilshire Associates has special expertise in real estate, international investing, and issues related to public funds. It assists its clients in the evaluation and selection of managers within these asset categories.

The firm also provides pension asset and liability simulation; manager structure determination; identification of the impact of passive investment strategies; on-line manager monitoring and performance measurement; and endowment and foundation consultations.

The firm has 40 sponsor organizations on retainer. Non-retainer clients number five.

The firm has 11 professional consultants. Fees are paid equally with hard and soft dollars.

Clients include the state of California, Texaco Inc. and MCA Inc.

The client contact is Lawrence E. Davanzo, vice president.

Winklevoss & Associates Inc.

3700 Market St., Suite 300,
Philadelphia, Pa. 19104; (215)
387-1052

Winklevoss & Associates offers asset allocation guidance, but does not provide manager evaluation or selection, or performance measurement.

The firm has special expertise in GICs and bond dedication. The firm's pension model analyzes the impact of bond dedication on long-term pension costs.

It also offers a complete asset and liability planning study for pension funds, which includes analysis of actuarial assumptions and cost methods, plus forecasts of future costs and funded status.

It has two investment clients on retainer. Non-retainer clients number 11.

There are 12 professional consultants. Fees are paid with hard or soft dollars.

Clients include Sears, IBM, Arco, General Motors and Transamerica.

The client contact is Thomas N. Pappas, vice president-marketing and sales.

Wood, Mackenzie & Co. Inc.

280 Park Ave., New York, N.Y. 10017;
(212) 883-1900

Wood Mackenzie provides performance evaluation and consulting, including analysis and diagnosis. It also provides accounting and analytical reporting services to meet all the information needs of pension funds, and publishes a monthly review of international market performance.

The firm, a subsidiary of Wood, Mackenzie & Co., a U.K.-based international stockbrokerage and consulting firm, has special expertise in international multicurrency portfolios.

Non-retainer clients number 220 worldwide. There are 18 professional consultants. Fees are paid with hard and soft dollars. The client contact is John M. Gillies.

Median stock adviser reported 11.6% return

WESTPORT, Conn. — The median equity manager had a total return of 11.6% during the second quarter of 1983, according to Evaluation Associates Inc.

For the same time frame, balanced managers had a median total return of 7.5% and bond managers scored 1.4%.

The Standard and Poor's 500 stock index gained 11.1% for the first quarter and 22.2% for the first six months. Meanwhile the Salomon Brothers long-term high grade corporate bond index made 1.3% for the second quarter and 5.1% for the first six months.

The results are an average of the total time-weighted return and are based on discretionary employee benefit accounts.

For the second quarter the top equity performer was up 29.2%. The top balanced portfolio was up 13.4% and the top bond manager was up 3.6%. ■

We are pleased to announce that

William M. Morris, CFA, CEBS

has joined our firm as Managing Director.

Douglas, Noyes

Douglas, Noyes & Co., Inc.
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New York, NY 10004
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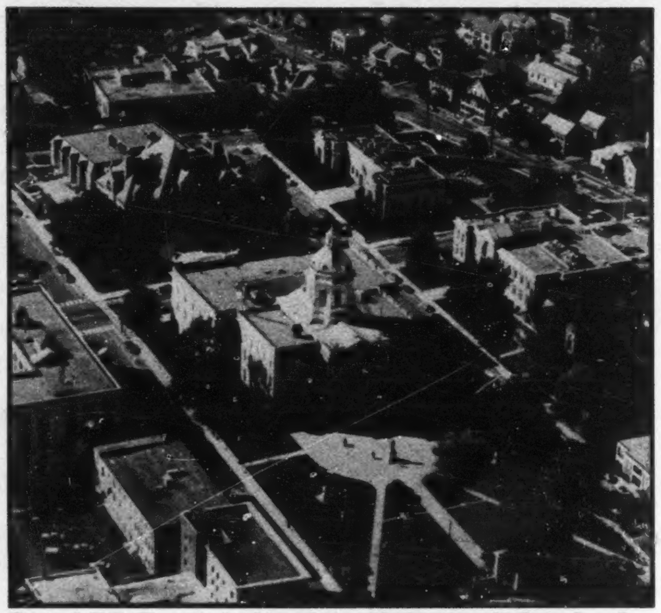
The newspaper of corporate and institutional investing • $3.00 an issue • $60 a year • September 5, 1983



Concord, N.H.: The state fund is seeking a "declaration of independence"

Fund challenges council's power

By Kimberly Blanton

CONCORD, N.H. — The New Hampshire Retirement System is seeking affirmation of its independence from the state government.

The fund has asked a state court to overrule the state Executive Council's request that the fund get council approval for most contracts with investment advisers, consultants and actuaries.

Fund officials argue this would limit the "latitude" the trustees need to carry out their fiduciary responsibility. The fund's petition to the court amounts to a suit against the governor and the council.

The court's decision may have broad implications. Retirement system officials believe that if the fund does not challenge the council, it would be an opening for the state to influence future investments of the $530 million state pension fund.

Nationwide, public pension funds are often under pressure from elected officials to make investments to suit political interests.

On Aug. 5, the New Hampshire

Continued on page 66

Convertible preferreds

LTV makes its second non-cash contribution

By Nancy Webman

DALLAS — The LTV Corp. made its second non-cash contribution to its pension funds, this time contributing 2 million cumulative, convertible preferred shares with a stated value of $50 million.

The stock, which pays a 12.24% dividend, constitutes about 25% of the company's 1982 contribution to its pension funds, which have total assets of $1.1 billion.

Last November, LTV put about $25 million in sinking fund debentures into the funds (*Pensions & Investment Age*, Dec. 20). Together, the stock and bond contributions amount to 37.5% of the company's 1982 contribution, which an LTV official estimated at about $200 million.

Like the bonds, the preferred shares given to the pension funds are piggybacked onto a public offering. Four million shares are being offered at $25 per share, with net proceeds of about $95.5 million to be used for general operations such as capital expenditures, working capital requirements and business acquisitions.

Lehman Bros. Kuhn Loeb Inc. and Merrill Lynch Capital Markets are the underwriters.

The announcement of the stock contribution was made almost a month after LTV announced the public offering.

"It was always a probability (that the stock contribution would be made). As we worked through the underwriting, we decided to increase the offering," the LTV official said. He said he considers the stock to be "a damn good investment to have right now. I don't have any problem with it."

Some analysts agree with that opinion. One predicted LTV's earnings multiple likely will increase 50% to 100% by 1985. In an attempt to become more profitable, LTV recently has shed itself of Wilson Foods, which later filed for reorganization under Chapter 11 of the bankruptcy code, and Lykes Bros. Steamship Co., an ocean shipping company.

One of LTV's investment managers was given discretionary authority over the 2 million shares, subject to some temporary restrictions. The official would not name the manager.

The restrictions, agreed upon by the manager, the underwriters and the company, are similar to those imposed by other sponsors who have contributed stock to their pension funds. They seem to be designed to strike a balance between maintaining an orderly market (by not flooding the market with a huge block of company stock while another large block is being publicly sold) and meeting fiduciary obligations.

According to the prospectus, the manager may not sell the 2 million shares for 90 days after the date of the prospectus (Aug. 5) unless the stock trades at $1.50 above the public offering price on two consecutive days or unless the manager believes it would be a breach of his fiduciary duties not to sell the stock. If the manager exercises the escape clause, the underwriters have first refusal rights.

If history repeats itself, the LTV shares in the pension fund's portfolio will be actively traded. Scudder, Stevens & Clark, which managed the LTV bonds for the pension fund, sold them at a profit about a month after receiving them.

This is the first company stock to be part of the pension fund's portfolio, the LTV official said. The contribution represents about 2.5% of total pension assets, well below the maximum of 10% imposed by

Continued on page 63

LTV

> *"As we worked through the underwriting, we decided to increase the offering."*

Late news

Stock contribution

CLEVELAND — Midland-Ross Corp. will contribute about 60% of its $12.1 million pension contribution in new company stock, according to assistant treasurer Robert A. Jensen. He said that it will be a "very good investment" for the plan and will also help the company conserve cash.

The total amount of stock contributed to the $100 million Midland-Ross Corp Collective Investment Trust hinges on its price on the date of contribution, which will be by Sept. 15. The stock was described in a preliminary shelf registration statement, which will enable the trust to sell the shares at will during the next two years.

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Changes under way for 501(c)9 trusts

IRS investment rule point of contention

By Nancy Webman

DALLAS — The Internal Revenue Service and some plan sponsors are at odds over an IRS requirement that keeps separate the administration and investment of pension assets from those in 501(c)9 trusts for medical and life insurance benefits.

Only a few sponsors now fund such benefits. However, many more are expected to do so if the Financial Accounting Standards Board enacts a proposal requiring employers to expense health and life insurance benefits on the balance sheet.

Those pushing for change include officials of some of the largest pools of employee benefit assets in the country.

These administrators (all of whom asked that their names, and those of their companies, not be used) contend the IRS' position is costly and irrational.

One sponsor estimated the prohibition against commingling assets for administrative and investment purposes costs a company between 0.2% of the plan's assets to as much as 0.75% of assets, depending on how actively managed the 501(c)9 portfolio is.

For an $800 million plan sponsored by a large Northeastern firm with several billion dollars in pension assets as well, that works out to cost the 501(c)9 trust about $6 million.

Ironically, noted one benefits plan administrator, the IRS' stance also is proving costly to the IRS.

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Problems seen with FASB proposal

DALLAS — Massive problems are predicted if corporations are required to expense on their balance sheets the cost of post-retirement life and health benefits.

Such a requirement might come to pass if preliminary views of the Financial Accounting Standards Board are adopted. The FASB proposes to treat pension and other post-retirement benefits similarly, requiring companies to account for the costs during the active careers of their employees.

Now, most corporations have pay-as-you-go plans for these health and life insurance benefits. A survey by the consulting firm of William M. Mercer Inc., for example, showed 98% of employers providing post-retirement benefits do not pre-fund any part of the cost of post-retirement group medical.

Although the FASB proposal does not require that these benefits be funded (as pension benefits are required to be), consultants predict many companies will fund the plans under a 501(c)9 trust if they are required to show the liabilities on their balance sheets.

The annual cost of funding 501(c)9s could be staggering. Estimates range from 45% of the cost of funding a pension plan (according to Kwasha Lipton, consulting actuaries) to "close to or even greater than the pension liability," according to Richard L. Kelley, managing consultant for Mercer in Minneapolis.

Not surprisingly, corporations have not been quick to warm to the FASB idea.

"What they're doing now almost unanimously is fighting it," said John Hickey, partner in Kwasha Lipton in Fort Lee, N.J.

One "logical argument against it" is that employers have no legal requirement to continue to offer post-retirement life and health plans as they have with pension plans, Mr.

Continued on page 64

Southwestern Bell, U S West

Two Bell regions allocated banks, advisers from trust

By Kimberly Blanton

ST. LOUIS — American Telephone & Telegraph Co. has assigned five of its bank managers to Southwestern Bell Corp. and 13 of its investment managers to U S West.

These initial assignments are part of AT&T's plan to divide its multitude of managers among the seven regional telephone companies it will divest on Jan. 1, 1984.

U S West and Southwestern Bell are two of the four Bell operating companies that chose to take a portion of their plan assets immediately.

According to Roger W. Wohlert, Southwestern Bell's assistant treasurer, five banks currently managing assets for the Bell System Trust will revert to that region's fund: Mercantile Trust Co., St. Louis; Boatmen's National Bank of St. Louis; RepublicBank Dallas; First City National Bank of Houston; and Texas Commerce Bank, Houston.

To prepare for its share of the $45 billion Bell system's pension fund assets, Southwestern Bell also selected RepublicBank Dallas as its master trustee, Mr. Wohlert said.

AT&T has given U S West a list of 13 managers it plans to return to the plan Jan. 1, according to James Biundo, director of trust investments. Mr. Biundo cautioned, however, the list could change when AT&T refines its calculations of where the money is and how it will be divided.

The 13 are Chase Investors Management Corp., New York; Clarens Associates, New York; David J. Greene & Co., New York; Jennison Associates Capital Corp., New York; United Capital Management, Denver; Capital Guardian Trust Co., Los Angeles; Dean Witter Reynolds Intercapital, New York; T. Rowe Price Associates, Baltimore; First Manhattan Co., New York; Fayez Sarofim & Co., Houston; Seattle First National Bank; First National Bank of Minneapolis; and First Interstate Bank of Oregon, Portland.

Continued on page 68

Sunshine stands steadfast as BAIMCO returns brighten

By Steve Hemmerick

NEW YORK — Sunshine Biscuit Co.'s employee benefit investment committee stood by Bank of America Investment Management Co. two years ago when other plan sponsors were dropping out.

Now that steadfastness has paid off.

Sunshine has $30 million of its $70 million employee benefit money in BAIMCO's active asset allocation account. That account finished in the top 10% of the Becker balanced-fund universe for the two years ending June 30, with a 25.2% compound annual rate of return.

"We think the world of BAIMCO," said an appreciative John Gauvreau, chairman of Sunshine's portfolio review committee.

That expression of appreciation couldn't have come at a better time for Bob Wade, BAIMCO's chief investment officer who has put in just more than two years with the bank investment subsidiary after leaving Crocker Investment Management Co.

About two years ago, BAIMCO had hit a low point. When its employee benefit fund numbers would come out it was a "disaster story in bad results and we would lose another client. We were underperforming a lot of managers," said one company executive.

Although BAIMCO had little to brag about in equities, its fixed-income performance was above the median for the year ending Sept. 30, 1982, and its small-capitalization fund had done well.

To stop what was then referred to as "bleeding" of clients, Mr. Wade directed much of BAIMCO's marketing power behind its then fledgling asset allocation service. What he actually was trying to do was bring back balanced management, which some plan sponsors said had simply "gone out of style."

Mr. Wade retorted that, "There

Continued on page 69

Financial eye calm amid Houston storm

By Nancy Webman

HOUSTON — As Hurricane Alicia rampaged across the Texas coast, leaving behind $1.2 billion in damage, money managers tried to inject a modicum of normalcy into an otherwise bizarre workday.

A lot of money was at stake; Houston money managers had about $22 billion under management as of Jan. 1, according to *Pensions & Investment Age's* annual manager profile issue.

Those with mutual funds, including Funds Inc. and Investment Advisors Inc., remembered to inform the Securities

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Vol. 11, No. 18 — Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Late news

Continued from page 1

DePaul adds advisers

CHICAGO — The $15 million DePaul University endowment fund, which was managed primarily in-house, has invested in three equity mutual funds and hired a fixed-income manager, said Kenneth McHugh, treasurer.

About 35% of the DePaul fund will be invested by Putnam Fixed Income Advisors, and the rest will be split between the Vanguard Group Inc.'s Explorer Fund, Kemper Financial Services Inc.'s growth-stock fund and the Fidelity Management & Research Co.

'Window plan' ruling

NEW YORK — Employers now are required to recognize a liability and expense on their financial statements for the present value of future benefit payments arising under so-called "window plans," or early retirement incentive plans, according to a ruling by the Financial Accounting Standards Board.

The new rule, which can have an effect on a company's earnings while such a plan is in effect, applies to special termination benefits offered after June 30, 1983, according to Buck Consultants Inc.

The rule, called Statement No. 74, also allows sponsors to restate previously issued financial statements, if a firm desires. The amounts to be recognized consist of both lump-sum payments and the present value of any expected future payments that result directly from employee terminations.

Braniff, PBGC accord

FORT WORTH, Texas — Braniff International Corp. and the Pension Benefit Guaranty Corp. on Aug. 31 reached an out-of-court settlement that Braniff officials say removed the last stumbling block to its reorganization.

Under the agreement, the PBGC will get $1 million cash when the deal between Braniff and the Hyatt Corp. is sealed. The PBGC also will receive warrants for 500,000 shares of stock in the new company, a pro-rata share of about $3.2 million in priority claims that Braniff says it will pay, and 10% of the new Braniff's revenues derived from transporting government employees. Another $75 million in claims will be treated as unsecured and will be paid in stock at an estimated price of 8.4 cents on the dollar.

Manager goes public

EDINBURGH, Scotland — Ivory & Sime Ltd., the Scottish international investment manager, will become listed on the London Stock Exchange Sept. 5.

It is the third British investment manager to do so. The firm will issue 27 million common shares at 33 cents per share on Sept. 5, a total capitalization of almost $9 million.

David Nichol, a director, explained that the Scottish firm decided to go public to enable Atlantic Assets Trust, a closed-end mutual fund, to liquidate a 29% share block of Ivory & Sime it bought five years ago.

Partnership formed

BOSTON — John Hancock Mutual Life Insurance Co. has received commitments of more than $100 million for a new limited partnership for venture capital investments. The limited partnership will invest two-thirds of its assets in other venture capital limited partnerships, and the remaining third directly in emerging privately held operating companies.

The initial $100 million, which might go as high as $150 million, offering garnered commitments through a private placement, mostly from pension funds, according to Edward Kane, vice president and director of John Hancock Venture Capital Management Inc.

Los Angeles returns

LOS ANGELES — The $1.1 billion Los Angeles City Employees' Retirement System earned a 35.5% return on fixed-income assets for the year ending June 30, placing its fixed-income return in the top 7% of Merrill Lynch's performance evaluation universe, according to Earl Anschultz, fund general manager.

The fund has 65.7% of its assets allocated in the fixed-income area; its two fixed-income managers are Chemical Bank and Loomis Sayles & Co. On the equity side for the same period, the fund had a 56.6% return, putting it at the universe's 75th percentile.

Principal appointed

CHICAGO — Susan H. Achenbach has been elected a principal of Touche Ross & Co. She joined the firm in 1979.

Trust head appointed by Continental

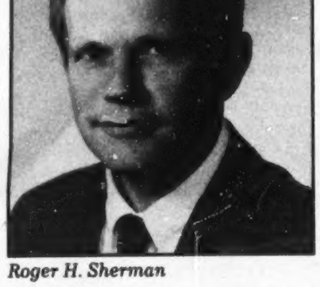
CHICAGO — Roger H. Sherman is the new head of trust and investment services at Continental Illinois National Bank and Trust Co. of Chicago.

Mr. Sherman has joined the trust department after a long career in the commercial banking division.

In moving to the trust department, Mr. Sherman, a senior vice president, has taken over the position from Edward S. Bottom, executive vice president, who was named a director at Continental.

Mr. Bottom is now in line to assume the management of general banking services when Edward M. Cummings, executive vice president, retires in December.

"I'm very pleased to be here, and very excited about being in the trust department at this particular time" when the financial services industry is in an "evolution," said Mr. Sherman.



Roger H. Sherman

He hopes to further integrate the trust department with the bank's other financial services. "And because I have been in corporate banking all my career, I certainly know how that works" and know many of Continental's clients, he said.

Mr. Sherman, who came to Continental in 1957, most recently headed the western U.S. commercial banking services group. He also worked for eight years in Continental's international banking de-

Continued on page 68

Real Estate

Four firms manage $10.7 billion

Insurance companies hold one-third of equity realty

The real estate advisory divisions of four insurance companies manage one-third of all equity assets reported by 111 respondents to *Pensions & Investment Age*'s annual survey of U.S. real estate investment advisers.

The companies — Prudential Insurance Co., Equitable Life Assurance Society, Aetna Life & Casualty and John Hancock Mutual Life Insurance Co. — all are within the top 10 advisers in terms of real estate equity managed for pension funds and other institutional tax-exempt investors, capital either in hand or committed.

Three are among the six with at least $1 billion under management.

The assets managed by the top 10 firms — $17.5 billion — is more than half of the total reported by all advisers — $32.7 billion.

The four insurance firms, powered by open-end commingled funds, have collected $10.7 billion from pension funds for real estate equity. Prudential and Equitable alone, with $8.2 billion, have one-fourth of the total reported.

Well behind the comfortable lead of Prudential and Equitable is a real estate investment trust, Corporate Property Investors, which markets its limited partnerships to large pension funds; the real estate sister of a money management firm, The RREEF Funds, which uses only the closed-end commingled form; and the real estate group of a commercial bank, Morgan Guaranty (the only bank represented in the top 10).

The assets controlled by Morgan Guaranty are mostly in an open-end fund and separate accounts, with about one-fifth in leasebacks.

After Copley Real Estate Advisors, in seventh place, the top 10 equity advisor list is rounded out by F.I.A. Associates, and the capital management services division of the country's largest real estate firm, Coldwell Banker, which is devoted to the closed-end pool form.

Leverage on the part of some advisers was balanced by the advisers waiting to invest capital, making the reported market value of properties in which the assets have been invested — about $32.1 billion — extremely close to the total of capital received or committed.

Survey respondents indicated even larger holdings in mortgages on behalf of their tax-exempt clients — $38.9 billion worth.

The 111 advisers said they have 5,517 tax-exempt clients, with obvious overlap. This does not include clients reported by some syndicators who have marketed to individual retirement accounts and Keogh plans but also have some corporate pension clients, or would like to.

Fully 21 of the respondents said they make investments for foreign pension funds, managing $4.6 billion on their behalf.

The following directory was compiled from questionnaires sent to real estate advisory firms.

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Top 10 real estate equity advisers*

Firm	Tax-exempt assets ($ millions)
1. Prudential Insurance Co.	5,350
2. Equitable Life Assurance Society	2,880
3. Corporate Property Investors	1,900
4. Aetna Life Insurance Co.	1,651
5. RREEF	1,500
6. Morgan Guaranty Trust	1,001
7. Copley Real Estate Advisors	860
8. F.I.A. Associates	831
9. John Hancock Mutual Life Insurance Co.	792
10. Coldwell Banker	750
TOTAL	17,515

Top 10 mortgage advisers

Firm	Tax-exempt assets ($ millions)
1. Aetna Life Insurance Co.	12,000
2. Bankers Life Co.	4,200
3. CIGNA Capital Advisers	3,900
4. Travelers Insurance Co.	3,700
5. New England Mutual	1,900
6. Citibank	1,100
7. Morgan Guaranty Trust	570
8. Fidelity Bank	531
9. Victor Palmieri and Co.	530
10. Balcor/American Express	500
TOTAL	28,931

Top 10 realty advisers for foreign funds

Firm	Tax-exempt assets ($ millions)
1. Jones Lang Wootton	700
2. Richard Ellis Inc.	651
3. American Property Fund	400
4. Landauer Advisors	320
5. Morgan Guaranty Trust	278
6. Corporate Property Investors	240
7. Heitman Advisory	236
8. First National Bank of Chicago	200
9. Alster International	180
10. Loeb Partners Realty	150
TOTAL	3,355

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Abacus Realty Advisors Inc.

115 S. LaSalle St., Suite 1300,
Chicago, Ill. 60603; (312) 346-9172

Abacus Realty has $5 million in tax-exempt assets invested in real estate equity.

The firm offers fully discretionary individual investment management, open-end funds and investment consulting.

It invests in office buildings, shopping centers, industrial buildings, hotels and apartments. There are four U.S. tax-exempt clients.

The client contact is Thomas J. Steele, executive vice president.

Acquest Capital Management Co.

505 N. Woodward Ave., Suite 3850,
Bloomfield Hills, Mich. 48013;
(313) 645-5130

Acquest has $35 million invested in real estate equity for seven tax-exempt clients. It also has $7 million invested in mortgages for them.

The firm offers fully discretionary individual investment management, closed-end real estate funds and real estate investment consulting.

It invests in light industrial, research and development, and office properties. The firm has 90% of the tax-exempt assets it manages invested in development properties and the remaining 10% in existing properties.

Clients include Dow Chemical and Operating Engineers Local 324.

David G. Ong, president, is the client contact.

Aetna Life Insurance Co.

151 Farmington Ave., Hartford, Conn.
06156; (203) 273-6390

Aetna has $1.65 billion in tax-exempt assets invested in real estate equity. The market value of those properties is estimated at the same amount. The company also has $12 billion invested in mortgages.

The real estate investment services provided are fully discretionary individual investment management, open-end and closed-end funds and investment consulting. Investments are made in office and retail buildings, hotels, industrial buildings and research and development centers.

Aetna has 190 U.S. tax-exempt clients. It also has invested $100 million in U.S. real estate for foreign pension funds.

The client contact is Thomas John, director.

AgriVest

500 Winding Brook Drive, P.O. Box
996, Glastonbury, Conn. 06033;
(203) 659-3711

AgriVest is a 9-month-old firm that has not yet signed any tax-exempt clients. It has two U.S. taxable clients for which it manages $40 million in equity real estate and $490 million in mortgages. The market value of the real estate properties is estimated at $50 million.

The firm offers fully discretionary individual investment management, closed-end funds, investment trusts and consulting.

All of its assets are invested in existing agricultural properties.

Clients include Connecticut Mutual Life Insurance Co.

James B. McCandless, vice president, is the client contact.

Aldrich, Eastman & Waltch

1 Post Office Square, Boston, Mass.
02109; (617) 542-9300

Aldrich, Eastman & Waltch has $528 million in tax-exempt assets invested in equity real estate. The market value of investments is $333 million.

It provides fully discretionary individual investment management and closed-end real estate funds.

The firm invests in office, industrial/warehouse and retail properties.

The firm has 95% of the tax-exempt assets invested in existing and 5% in development properties. It has 17 U.S. tax-exempt clients.

Mark J. Waltch is the client contact.

Alster International

919 Third Ave., New York, N.Y.
10022; (212) 888-7976

Alster International manages $180 million in U.S. real estate equity for two foreign pension funds. All of those assets are invested in existing office buildings and retail malls.

The firm provides fully discretionary individual investment management and real estate investment consulting.

The client contact is Henri Alster, president.

Am Cal Co.

4737 Lankershim Blvd., North
Hollywood, Calif. 91602; (213)
763-6206

Am Cal has $90 million in tax-exempt assets in real estate equity. The market value of those assets is estimated at $110 million. The firm also has $150 million invested in mortgages for tax-exempt clients.

The firm provides fully discretionary individual investment management, investment consulting and single-family residential forward loan commitments. Investments are made in office, office/medical, shopping centers, industrial, warehouse, residential and retail properties. Existing properties account for 85% of the investments and development properties, 15%.

There are seven U.S. tax-exempt clients. Clients include the State of Missouri, Carpenters Pension Trust for Southern California and Southern California Development Foundation.

The client contact is James B. McKenna, president.

American Agricultural Investment Management

2603 W. 22nd St., Suite 17, Oak
Brook, Ill. 60521; (312) 654-6616

American Agricultural Investment Management firm has $11 million in tax-exempt assets invested in real estate equity. The market value of those assets is estimated at $11 million.

The firm offers fully discretionary individual investment management and closed-end real estate funds.

It invests in income-producing farmland.

All of the tax-exempt assets are invested in existing properties.

H. Joseph Bourn, executive vice president, is the client contact.

American Equity Advisers Inc.

9601 Wilshire Blvd., Beverly Hills,
Calif. 90210; (213) 273-4300

American Equity Advisers is a new firm that plans to offer fully non-discretionary individual investment management and real estate investment consulting to its tax-exempt investors. The firm will specialize in public pension funds.

The company will invest in industrial and retail structures, as well as office buildings of a minimum of 100,000 feet.

The client contact is S. Jon Kreedman, chairman.

American Property Fund

2333 Brickel Ave., Miami, Fla. 33129;
(305) 854-6211

American Property Fund manages $250 million in real estate equity for nine tax-exempt clients. The market value of property investments is estimated at $75 million. The firm also has invested $400 million in U.S. real estate for foreign pension funds.

The firm provides direct investment in real estate equities and investment consulting.

All investments are in existing properties on a leaseback/sale basis. Investments are made in multitenant office buildings, warehouses and commercial/industrial properties.

The client contact is Jay M. Messer, chairman.

AmeriTrust Co.

P.O. Box 5937, Cleveland, Ohio
44101; (216) 687-5776

The firm has $17 million in tax-exempt assets invested in real estate equity. The market value of the properties is estimated at $6.7 million.

AmeriTrust provides fully discretionary individual investment management, open-end funds and investment consulting.

All tax-exempt assets are invested in existing office, industrial and retail properties. There are 52 U.S. tax-exempt clients. The client contact is Mark A. Albertson, vice president.

Aminoff & Co.
9601 Wilshire Blvd., Suite 220,
Beverly Hills, Calif. 90210;
(213) 858-6700

The firm has $3 million in tax-exempt assets invested in real estate equity. The estimated market value of properties is $8 million.

Aminoff & Co. offers fully discretionary individual investment management, real estate investment consulting and limited partnership interests.

It invests in existing office buildings, shopping centers and industrial properties.

The firm has two U.S. tax-exempt clients. It also has invested $2 million in U.S. real estate for foreign pension funds.

The client contact is Gary A. Aminoff, president.

Angeles International Advisors Inc.
10301 West Pico Blvd., Los Angeles,
Calif. 90064; (213) 277-4900

The firm is a recently formed investment advisory subsidiary of the Angeles Corp. It manages real estate investment portfolios for U.S. tax-exempt clients and foreign institutions and their clients.

It provides investment consulting, fully discretionary individual account management, limited partnerships and closed-end funds.

The company invests primarily in existing apartment, office building and shopping center properties.

Angeles-sponsored limited partnerships now own real estate properties with a total original equity of more than $200 million and a current value in excess of $450 million.

Mark W. Gibello, president, is the client contact.

b

Balcor/American Express
10024 Skokie Blvd., Skokie, Ill.
60077; (312) 677-2900

Balcor/American Express has $500 million invested in mortgages for tax-exempt clients. The market value of those properties is estimated at $775 million.

The real estate investment services provided are fully discretionary individual investment management, open-end funds and investment consulting.

All investments with tax-exempt assets are in existing office buildings, shopping centers, apartments and industrial/warehouse properties.

Clients include Sherwin-Williams Co., Burlington Industries and Fidelity Mutual Life Insurance.

The client contact is Richard L. Bennett, vice president.

Bankers Life Co.
711 High St., Des Moines, Iowa,
50307; (515) 247-5111

Bankers Life has $10 million in tax-exempt assets invested in real estate equity. The market value of those properties is estimated at $12 million. The firm has $4.2 billion invested in mortgages for tax-exempt investors.

It offers open-end funds, a general account and a primary separate account (bond and mortgages).

It invests in existing warehouses, office buildings and retail facilities. The firm has 37 tax-exempt clients.

Ronald E. Keller, vice president, is the client contact at (515) 247-5192.

Bank of America, Investment Real Estate
P.O. Box 37026, San Francisco, Calif.
94137; (415) 622-3960

Bank of America manages $133 million in real estate equity for 210 U.S. tax-exempt clients. The estimated market value of real estate properties in which tax-exempt assets have been invested is $124 million.

The bank offers fully discretionary individual investment management, open-end real estate funds and investment consulting. It has an application pending for closed-end funds.

It invests in existing office, commercial, industrial and residential properties.

The client contact is Jack S. Cooper, vice president and manager.

Bank of Boston, Institutional Investment Division
100 Federal St., Boston, Mass.
02110; (617) 434-4560

The bank manages $350 million in real estate equity. The only available estimated market value of tax-exempt investments is $200 million from a pooled real estate fund. The bank also has invested $65 million in mortgages.

The bank provides open-end real estate funds. Investments are made in high-grade industrial and commercial properties nationwide.

All investments are in existing properties.

There are 210 U.S. tax-exempt clients for realty, including Raytheon, Continental Airlines, Michigan Consolidated Gas, Ford Motor and General Motors.

The client contact is Peter F. Tague, first vice president.

Bank One Real Estate Fund
100 E. Broad St., Columbus, Ohio
43271; (614) 463-5898

Bank One has $7.8 million in tax-exempt assets invested in real estate equity. The estimated market value of real estate properties in which tax-exempt assets has been invested is $6.5 million.

It offers fully discretionary individual investment management and open-end real estate funds.

All tax-exempt assets are invested in existing suburban office buildings, multitenant warehouses and strip shopping centers.

There are 88 U.S. tax-exempt clients, including Lancaster Colony, Rax Restaurants, W.W. Williams and Worthington Industries.

The client contact is H. Herbert Schupp, vice president.

The Boston Co. Real Estate Counsel Inc.
One Boston Place, Boston, Mass.
02106; (617) 722-7102

The firm has $340 million in tax-exempt assets in real estate equity. The market value of those properties is estimated at $490 million.

It offers fully discretionary individual investment management, closed-end funds for special purposes, investment consulting and non-discretionary investment management.

It invests in office, industrial and retail properties. Ninety percent of the tax-exempt assets are invested in existing properties and 10% are invested in development properties. Clients include AT&T and the Teacher Retirement System of Texas.

Robert A. Radloff, president, is the client contact.

The Bradshaw Co.
780 Boylston St., Suite 20J, Boston,
Mass. 02119; (617) 267-1499

The firm has $10 million in tax-exempt assets committed to it for real estate equity investment.

The Bradshaw Co. offers fully discretionary individual investment management, open-end and closed-end funds, investment trusts and investment consulting.

It invests in existing office buildings, shopping centers and high-tech industrial parks. There is one tax-exempt client.

The client contact is William D. Bradshaw, president.

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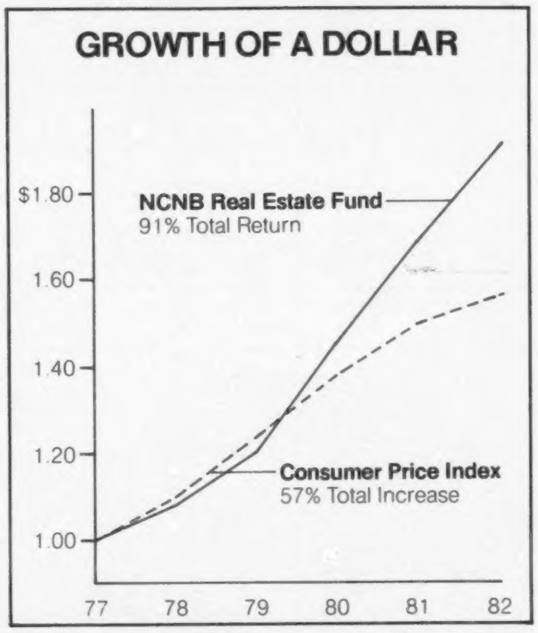

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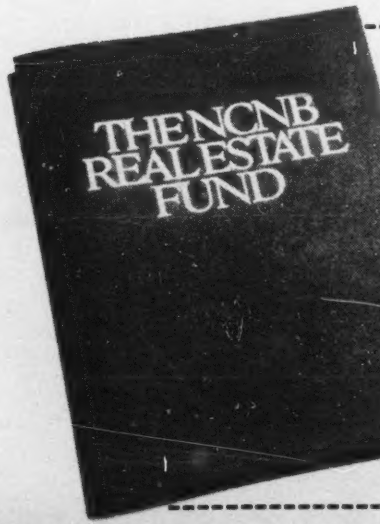

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Alex. Brown Realty Advisors Inc.

5-7 N. Calvert St., Baltimore, Md.
21202; (301) 727-3884

The firm manages $327 million in tax-exempt assets in real estate equities. It also has $83.5 million invested in mortgages.

Alex. Brown Realty offers real estate investment trusts and real estate advisory services. All investments of tax-exempt assets are in existing office buildings, regional shopping centers and industrial buildings.

The firm has two U.S. tax-exempt clients under management: the Oregon Public Employees' Retirement System and the Teacher Retirement System of Texas.

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C

Capital Consultants Inc.

2300 S.W. First Ave., Portland, Ore.
97201; (503) 241-1200

Capital Consultants has $30 million in tax-exempt assets invested in real estate equity. The market value of properties is estimated at $29.3 million.

It also has $89 million invested in mortgages for tax-exempt clients.

The firm offers fully discretionary individual management, closed-end funds and investment consulting.

It invests in existing office buildings, light industrial buildings, business parks and retail properties.

Capital Consultants has 27 U.S. tax-exempt clients.

Charles D. Swindells, executive vice president, is client contact.

Chase Investors Management Corp.

1211 Avenue of the Americas, New
York, N.Y. 10036; (212) 730-3742

Chase Investors Management Corp. manages $51.5 million in real estate equity for pension funds and other tax-exempt investors. The market value of real estate properties has been estimated at $26.6 million on a cost basis. It also has $19.6 million invested in mortgages.

The company offers a combination open/closed-end fund. New participants are not permitted once fund assets reach $150 million.

Chase Investors invests in office and industrial buildings. As the fund grows, other property types will be considered.

It makes real estate investments for seven U.S. tax-exempt clients. The company also has made investments for foreign institutional clients on a separate basis. The value of those investments is estimated at $850 million.

Its clients include General Motors Corp., Celanese Corp. and Chase Manhattan Bank.

Donald F. Ferrara, vice president, is the client contact at (212) 730-3714.

Chemical Bank

633 Third Ave., New York, N.Y.
10017; (212) 878-7623

Chemical Bank has net assets of $46 million in real estate equity for 10 tax-exempt clients. The market value of those properties is estimated at $56 million.

It offers fully discretionary individual investment management, open-end funds and investment consulting. The company invests in office, shopping center and industrial/warehouse properties. Tax-exempt assets are invested 98% in existing properties and 2% in developmental.

The firm also has invested $20 million in U.S. real estate for foreign pension funds.

Anne G. Shean, vice president, is the client contact.

CIGNA Capital Advisers Inc.

Hartford, Conn. 06152; (203)
726-6261

CIGNA Capital Advisers has $542 million in tax-exempt assets invested in real estate equity. The estimated market value of property investments is $605 million. It also has a general mortgage account that totals $3.9 billion.

The company offers fully discretionary individual investment management, real estate investment consulting and both open-end and closed-end funds.

It invests in existing office, shopping center, hotel, apartment, research and development, office/warehouse, industrial and agricultural properties. The company has 255 U.S. tax-exempt clients.

The company has invested in U.S. real estate for foreign pension funds that has an estimated market value of $47 million.

The client contact is William O'Melvin Jr., senior vice president.

Citibank N.A.

153 E. 53rd St., New York, N.Y.
10043; (212) 559-1709

The bank has $500 million in tax-exempt assets invested in real estate equity. The market value of those properties is estimated at $2.1 billion. It also has $1.1 billion invested in mortgages.

Citibank offers fully discretionary individual investment management and open-end and closed-end funds.

Investments are made primarily in existing or development properties that are multitenanted, including office buildings, industrial parks, shopping centers, hotels and some residential apartment complexes.

There are 35 U.S. tax-exempt clients. It has made U.S. real estate investments for foreign pension funds.

The client contact is John W. Kemble, vice president.

Coldwell Banker — Capital Management Services

533 Fremont Ave., Los Angeles, Calif.
90071; (213) 613-3491

Coldwell has $750 million in tax-exempt assets invested in real estate equity. The market value of properties is estimated at $700 million.

It offers fully discretionary individual investment management, as well as closed-end funds and investment consulting.

Coldwell invests in industrial and office properties. Ninety percent of the tax-exempt assets are in existing properties and 10% of the assets are in development properties.

It has 40 U.S. tax-exempt clients, including AT&T, Honeywell and ITT.

The client contact is James G. Nugent, first vice president/regional manager in New York at (212) 661-9490.

Colter Associates

77 E. Weldon, Phoenix, Ariz. 85012;
(602) 265-5357

The firm has no real estate assets under management but does offer real estate investment products, including fully discretionary individual investment management and investment consulting. The firm invests in commercial, smaller office and light industrial park properties.

The client contact is Robert Rose, president.

Connecticut Mutual

140 Garden St. Hartford, Conn.
06115; (203) 727-6500

Connecticut Mutual has $30 million in tax-exempt assets invested in real estate equity. The market value of those investments is estimated at $30 million.

Connecticut Mutual offers fully discretionary individual investment management and open-end real estate funds for investors.

The company invests in existing office buildings, industrial properties and shopping centers. It has 12 tax-

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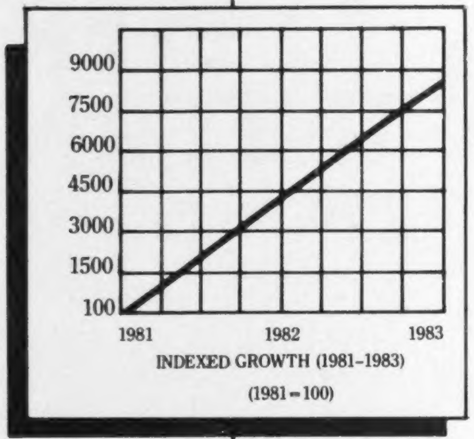

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exempt clients including Interlake Inc., New Britain Bank & Trust Co., Middlesex Mutual, Shelby Mutual and Heritage Trust Co.

Gary S. Klem, second vice president, is the client contact at (203) 727-6632.

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Consolidated Capital Institutional Advisors Inc.

1900 Powell St., Suite 1000,
Emeryville, Calif. 94608; (415)
652-7171

The firm has $50 million in tax-exempt assets in real estate equity. It also has $100 million invested in mortgages for tax-exempt clients.

The firm provides closed-end real estate funds. It invests in income-producing properties such as apartments, office buildings and shopping centers. Of those investments, 95% are in existing properties and 5% are in development properties.

Copley Real Estate Advisors

535 Boylston St., Boston, Mass.
02116; (617) 578-4900

Copley Real Estate Advisors has $860 million in tax-exempt assets invested in real estate equity. The market value of property investments is estimated at $2.1 billion. Its parent, New England Mutual Life Insurance Co., handles mortgage investments.

Copley offers fully discretionary individual investment management and open-end and closed-end funds.

It invests in office, industrial, research and development, hotel and residential properties. Existing properties account for 25% of investments made with tax-exempt assets; 75% of the assets are in development properties.

The firm has more than 1,000 tax-exempt clients including Southland Corp., Cotter Co. and National Fuel Gas Co.

The client contact is Kevin M. Mahoney, vice president, at (617) 578-4905.

Corporate Property Investors

230 Park Ave. New York, N.Y. 10169;
(212) 725-2150

Corporate Property Investors has $1.9 billion in tax-exempt assets invested in real estate equity. The market value of property investments also is estimated at $1.9 billion. The company has $250 million invested in mortgages.

The firm offers real estate investment trusts and limited partnerships.

Investments are made in commercial income-producing properties such as regional shopping centers and major office buildings.

The firm has 95% of its tax-exempt assets invested in existing properties, with the remaining 5% in development properties.

It has 26 U.S. tax-exempt clients, and has made real estate investment for foreign pension funds totaling $240 million. Its tax-exempt clients include AT&T, Exxon, General Electric, United States Steel, the United Nations and World Bank.

The client contact is Warren Hamer.

Crocker Real Estate Investment Group

44 Montgomery St., Suite 2110, San
Francisco, Calif. 94104; (415)
477-3318

Crocker has $154 million in tax-exempt assets in equity real estate. The market value of property investments is estimated at $154 million.

It offers fully discretionary individual investment management, open-end funds and investment consulting. The initiation of a closed-end fund is pending.

Crocker invests in office, industrial and retail properties with strong tenant leases.

Investment in existing properties accounts for 90% of the tax-exempt assets; 10% of the assets were in development properties.

There are 225 tax-exempt clients invested in the open-end fund; four clients have separate accounts.

The client contact is John H. Dracott, vice president.

d

D.A. Management Consultants Inc.

16541 Gothard, Suite 202, Huntington
Beach, Calif. 92647; (714)
842-0162

The firm manages $20 million in real estate equity for tax-exempt clients. It also has $7 million invested in mortgages.

It has one tax-exempt client, Orange County Employees Retirement System.

The client contact is Daniel M. Ardell, president.

Dodge and Cox/Pacific Realty Advisors

44 Montgomery St., Suite 4230, San
Francisco, Calif. 94101; (415)
392-3665

The firm manages $27 million in real estate equity. The market value of real estate properties is estimated at $15 million. The firm also has $14 million invested in shared appreciation mortgages.

The firm offers closed-end real estate funds. It invests in existing office and retail buildings.

It has two U.S. tax-exempt clients for realty, Kaiser Aluminum & Chemical and American Express/Fireman's.

The client contact is James O. Goldsmith, president.

e

Eastdil Advisers Inc.

40 W. 57th St., New York, N.Y. 10019;
(212) 977-4505

Eastdil Advisers has $630 million in tax-exempt assets invested in real estate equity. The market value of property investments is estimated at $610 million. There is also $20 million invested in mortgages.

The firm offers fully discretionary individual investment management.

It invests in office, shopping malls and industrial park properties. It has 50% of the tax-exempt assets invested in existing properties and 45% invested in development properties. There are three tax-exempt clients, including AT&T and Chrysler Corp.

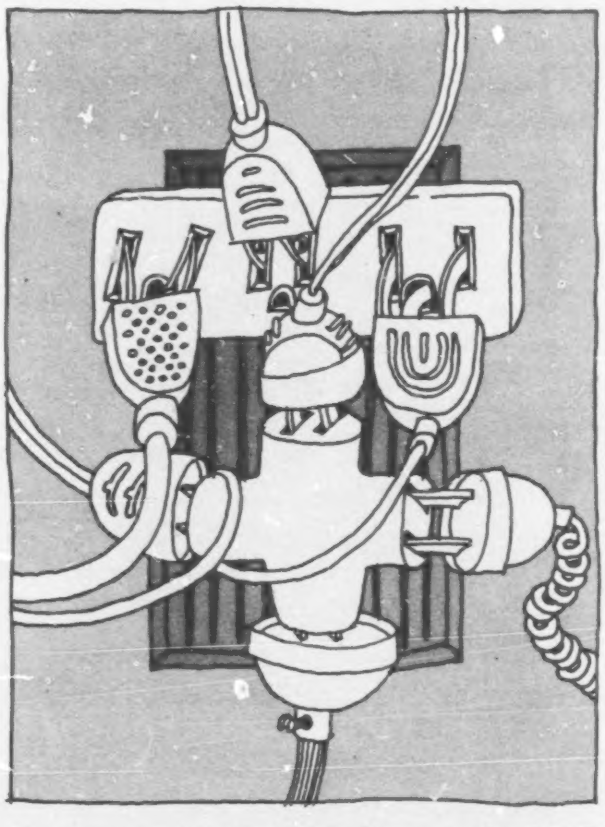
The client contact is James J. Gallagher, president.

Richard Ellis Inc.

Standard Oil Building, 200 E.
Randolph Drive, Suite 6545,
Chicago, Ill. 60601; (312) 861-1105

Richard Ellis has $651 million invested in U.S. real estate for foreign pension funds. The market value of properties is estimated at $651 million.

It offers fully discretionary individual investment management, closed-end funds and investment consulting. Other services include portfolio management, property management, de-



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velopment supervision and valuations.

It invests in office buildings, shopping centers, industrial parks, warehouses and research and development buildings. Of the assets, 85% are in existing properties and 15% in development properties.

Clients include Imperial Group, U.K.-American Properties and Electricity Supply.

The client contact is Bradley Olsen, senior vice president.

Equitable Life Assurance Society

1285 Avenue of the Americas, New York, N.Y. 10019; (212) 554-4213

Equitable Life has $2.9 billion in tax-exempt assets invested in real estate equity. The market value of properties is estimated at $1.9 billion. The company also has $344 million in mortgages.

The firm provides fully discretionary individual investment management and open-end and closed-end funds.

It invests primarily in existing industrial, office, retail, hotel and research and development properties. Development properties account for 10% of the assets.

The company has 303 U.S. tax-exempt clients under management, including Eastman Kodak, Encyclopedia Britannica, city of Chicago, state of Minnesota, North American Philips, Exxon and RCA.

The client contact is Joyce Frater, assistant vice president.

Equitec Institutional Realty Advisers Inc.

7677 Oakport St., P.O. Box 2470, Oakland, Calif. 94614; (415) 430-9900

Equitec has $50 million in tax-exempt assets invested in real estate equity. The market value of properties in which those assets have been invested is estimated at $150 million. The firm also has $5 million in mortgages.

It provides closed-end real estate funds. Equitec invests in existing office buildings, industrial properties and shopping centers.

The client contact is Don Jackson, vice president.

f

Faison Associates

122 E. Stonewall St., Charlotte, N.C. 28202; (704) 374-1711

Faison Associates are developers, not investment managers. However, four pension funds have placed $80 million with the firm without the assistance of investment managers. Of that, $50 million is from domestic clients and $30 million is from foreign clients.

The firm mainly develops regional shopping centers and office complexes.

The client contact is John Orse, vice president-finance.

F.I.A. Associates Inc.

2045 Hallmark Drive, Suite 4, Sacramento, Calif. 95825; (916) 920-4051

F.I.A. Associates has $831.3 million in tax-exempt assets invested in real estate equity. The market value of properties is estimated at $560 million. The firm also has $377.4 million invested in mortgages.

The firm offers asset management of real estate and real estate investment consulting.

It invests in office and industrial buildings, shopping centers, freestanding retail, hotels and apartment buildings.

F.I.A. Associates has 82% of the tax-exempt assets invested in existing properties and 18% in development properties.

There are eight U.S. tax-exempt clients, including the California Public Employees' Retirement System, Teacher Retirement System of Texas and Utah State Retirement System.

H. James Griggs, chairman of the board, is the client contact.

Fidelity Bank

121 S. Broad St., Philadelphia, Pa. 19107; (215) 985-8299

Fidelity Bank manages $33 million in real estate equity. The bank also has $531 million in participating mortgages.

It offers fully discretionary individual investment management and real estate investment consulting. Fidelity invests in office, industrial, shopping centers and some hotel properties. It has 25% of the tax-exempt assets invested in existing properties and 75% in development properties. It has two U.S. tax-exempt clients for realty, including the Pennsylvania School Employees.

The client contact is Richard Goldbeck, vice president.

$450 million in investments: a strong start for the new Mellon Real Estate Investment Management Group.

Left to right: Robert L. Kinney, President; Karin E. Shewer, Vice President; Elmer G. Oniffrey, Vice President; James T. Foran, Executive Vice President; Richard F. Normandin, Vice President, Mellon Real Estate Investment Management Group.

The new force in real estate investment management is Mellon, but you'll find the faces familiar.

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3. We concentrate on investment-grade commercial and industrial real estate.
4. We emphasize current cash yields which can be planned to meet your actuarial demands, rather than staking the majority of your return on uncertain future appreciation.
5. For each individual client's portfolio we stress diversification by property type, location, and investment amount.
6. Our policy is to avoid hotels, fast-food operations, restaurants, and other management-intensive assets. We also avoid apartments with their potential rent control problems.
7. In general, our ongoing policy is to avoid highly specialized buildings which would not find a wide universe of users if existing tenants were to curtail their use.
8. This portfolio-management approach gives you great flexibility to modify your investment policy in accordance with changing opportunities and market conditions.
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Mellon Financial Services
Real Estate Investment Management Group

Profiles

First Asset Realty Advisors

First Bank Place, Minneapolis, Minn.
55480; (612) 370-4601

The firm has $18.7 million in tax-exempt assets in real estate equity. The estimated market value of the properties the firm has invested in is $17.8 million.

First Asset Realty offers fully discretionary individual investment management, open-end and closed-end funds and investment consulting.

It invests in existing shopping centers and office and industrial properties. The firm has four tax-exempt clients.

The client contact is Charles F. Glaman, president.

First Capital Financial Corp.

3195 Ponce de Leon Blvd., Coral
Gables, Fla. 33134; (305)
442-0200

First Capital Financial Corp. has tax-exempt assets of $160 million in real estate equity. The market value of properties in which tax-exempt assets have been invested is estimated at $50 million.

The company offers closed-end funds and real estate investment consulting.

It invests in office buildings, shopping centers, and warehouse properties.

First Capital Financial has 10,000 U.S. tax-exempt clients, including the Florida Retirement System.

The client contact is Phil Darby, senior vice president-administration.

First Equities Institutional Properties Inc.

6201 Powers Ferry Road, Suite 500,
Atlanta, Ga. 30339; (404) 952-1500

First Equities started operations at the beginning of May and has eight tax-exempt clients that have committed $46 million in assets for real estate investment. The firm does not have full discretion over those assets.

The firm provides closed-end funds, investment consulting and non-discretionary individual investment structuring and management.

The firm will invest in properties such as office buildings, shopping centers, industrial buildings and apartments.

Paul H. Saylor, executive vice president and managing director, is the client contact.

First National Bank of Atlanta

P.O. Box 4148, Atlanta, Ga. 30302;
(404) 588-6829

The bank has $24 million in tax-exempt assets in real estate equity. The market value of investments made with tax-exempt assets is estimated at $16.9 million. It also has $11 million invested in mortgages.

The bank offers fully discretionary individual investment management, investment consulting and an open-end pooled timberland fund. All investments are in timberland. There are seven tax-exempt clients.

The client contact is Charles M. Tarver, vice president.

The First National Bank of Chicago Investment Management Group

3 First National Plaza, Chicago, Ill.
60670; (312) 732-7641

The bank's investment Management Group has $555 million in real estate equity. The market value of property investments is estimated at $500 million.

It offers fully discretionary individual investment management, real estate consulting and both open-end and closed-end funds.

First National Bank of Chicago's management group invests in office, industrial, apartment and retail structures.

Of those investments, 95% are existing properties and 5% are developmental properties. It has 100 U.S. tax-exempt clients.

The bank has invested $200 million in U.S. real estate for foreign pension funds.

J. William Baker, vice president, is the client contact.

First Wisconsin Trust Co.

777 E. Wisconsin Ave., P.O. Box
2054, Milwaukee, Wis. 53201;
(414) 765-4844

First Wisconsin has $3 million in tax-exempt assets in real estate equity. The market values of properties in which tax-exempt assets have been invested is estimated at $1.2 million.

The firm provides fully discretionary individual investment management, open-end funds and investment consulting.

It invests in existing commercial, office and warehouse properties. There are 10 U.S. tax-exempt clients.

The client contact is Earl D. Lillydahl, vice president.

g

Goldman, Sachs & Co.

85 Broad St., New York, N.Y. 10004;
(212) 902-5649

The firm has $70 million in tax-exempt assets in real estate equity. The market value of real estate properties in which tax-exempt assets have been invested is estimated at $60 million.

The firm offers open-end funds and separate real estate accounts. All investments are made in existing office, commercial, hotels and industrial properties.

There are four U.S. tax-exempt clients: New York State Common Retirement Fund, AT&T, UMW Pension Fund and Cleveland Electric Illuminating.

The client contact is Meyer Melnikoff, actuary.

Greater Boston Realty Advisors Inc.

45 School St. — Old City Hall,
Boston, Mass. 02108; (617)
227-7915

The firm has $20 million in real estate equity for two tax-exempt clients. The market value of the properties is estimated at $28 million.

Greater Boston provides fully discretionary individual investment management and real estate investment consulting.

It invests in office, industrial, research and development, shopping centers and land. It has 70% of the investments made for tax-exempt clients in development properties and 30% in existing properties.

The client contact is Denison M. Hall, president.

The Great-West Life Assurance Co.

100 Osborne St. North, Winnipeg,
Manitoba, R3C 3A5; (204)
946-1190

The Great-West Life Assurance Co. has $200 million in tax-exempt assets invested in real estate equity. The market value of property investments is estimated at $175 million. The company also has invested $420 million in mortgages for tax-exempt investors.

Great-West Life provides fully discretionary individual investment management, open-end and closed-end real estate funds and investment consulting.

The firm invests in commercial and industrial properties, as well as office buildings, retail structures and warehouses. Of those investments, 75% are in existing properties and 25% are in development properties.

The client contact is Gary Coopland, director-pensions and investments.

Grubb & Ellis Co.

1333 Broadway, Suite 900, Oakland,
Calif. 94612; (415) 839-9600

The firm manages $170 million in real estate equity for three tax-exempt clients. The market value of the properties is estimated at $214 million. The firm also has $65 million invested in mortgages.

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Vice President
Wells Fargo Realty Advisors
600 Montgomery Street, 29th Floor
San Francisco, California 94111
(415) 396-5400

Grubb & Ellis provides fully discretionary individual investment management, closed-end funds and investment consulting. It invests in office buildings, shopping centers, industrial buildings and research and development facilities. Existing properties account for 90% of the investments made for tax-exempt clients.

Clients include San Bernardino County Employees Retirement Association, Kern County Employees Retirement Association and San Diego Electrical Pension Trust.

The client contact is Terry P. Noyer, senior vice president.

h

John Hancock Mutual Life Insurance Co.

P.O. Box 111, John Hancock Place,
Boston, Mass. 02117; (617) 421-6000

John Hancock had $791.9 million in tax-exempt assets invested in real estate equity as of June 30. The market value of properties in which tax-exempt assets have been invested is estimated at $447.9 million. There also is $110.1 million invested in mortgages.

It provides fully discretionary individual investment management, open- and closed-end funds and investment consulting.

The company invests in fully built and leased office, industrial, hotel, retail and apartment properties.

It has 104 U.S. tax-exempt clients, including Aluminum Co. of America, the city of Detroit and Shell Oil.

The client contact is Michael B. O'Toole, vice president-sales. -

Heitman Advisory Corp.

180 N. LaSalle St., Chicago, Ill. 60601;
(312) 855-5700

Heitman Advisory manages $710 million in real estate equity for five U.S. tax-exempt clients. The market value of properties in which those assets have been invested is estimated at $1.15 billion.

It offers fully discretionary individual investment management, closed-end funds and investment consulting. Heitman also offers full advisory portfolio and propert, management services with the investor retaining the ultimate acquisition decision.

The company invests in existing, leased office buildings, shopping centers and industrial parks.

The firm has invested $236 million in U.S. real estate for foreign pension funds.

Its clients include the Bell System Trust, British Post Office Staff Superannuation Fund and British Telecom Staff Superannuation Fund.

The client contact is David M. Glickman, executive vice president at (312) 855-0464.

H T Investors

1 Hospital Trust Plaza, Providence,
R.I. 02903; (401) 278-7606

H T Investors manages $8 million in real estate equity for 13 tax-exempt clients. The market value of properties in which those assets have been invested is estimated at $6.8 million.

The firm offers fully discretionary individual investment management and open-end funds.

It invests in existing non-residential, general purpose, multitenant properties such as office buildings, research and development facilities and warehouses.

Clients include Providence Journal, Grinnell and Rhode Island Hospital.

The client contact is Dan A. Woolley, vice president-director of real estate investment.

Look for *Pensions & Investment Age's* next real estate issue on Oct.

i

ICC Realty Advisers Inc.

56 E. Pine St., Suite 200, Orlando, Fla.
32801; (305) 841-6241

The firm manages $50 million in real estate equity for 26 tax-exempt clients.

The market value of properties in which tax-exempt assets have been invested is estimated at $28 million. ICC Realty also has $6.5 million in mortgages.

ICC Realty offers fully discretionary individual investment management and investment consulting.

It invests in commercial properties, with 25% of tax-exempt assets invested in existing properties and 75% in development properties.

The client contact is Byron W. Giltz, executive vice president.

InterFirst Bank Dallas N.A.

P.O. Box 83794, Dallas, Texas 75283;
(214) 573-4658

The bank manages $358 million in tax-exempt assets in real estate equity.

The estimated market value of properties in which investments have been made is $318 million. It has invested $17 million in mortgages.

InterFirst Bank offers fully discretionary individual investment management and open- and closed-end funds.

It invests in office buildings, office/warehouses, shopping centers, warehouses and retail buildings. Of those investments with tax-exempt assets, 89% are in existing properties and 11% are in development properties.

The firm has 92 U.S. tax-exempt clients, including AT&T, Exxon, Celanese, Conoco, American Petrofina and United Technologies.

The client contact is Nathan Finke, senior vice president.

InterFirst Bank of Fort Worth

2 Burnett Plaza, Fort Worth, Texas
76102; (817) 390-6161

InterFirst manages $45 million in real estate equity for 90 U.S. tax-exempt clients. The market value of those investments is estimated at $157 million. The bank also has $8 million invested in mortgages.

InterFirst of Fort Worth offers fully discretionary individual investment management, open-end funds and joint ventures.

The bank invests in improved commercial real estate. Existing properties account for 90% of the invested tax-exempt assets.

Real estate investment management firms may send information regarding new pension fund accounts to Sally Duros, assistant copy editor, 740 Rush St., Chicago, Ill. 6061 ; or call (312) 649-5404.

j

Jacques & Kurdziel Ltd.

745 Fifth Ave., New York, N.Y. 10151;
(212) 758-8778

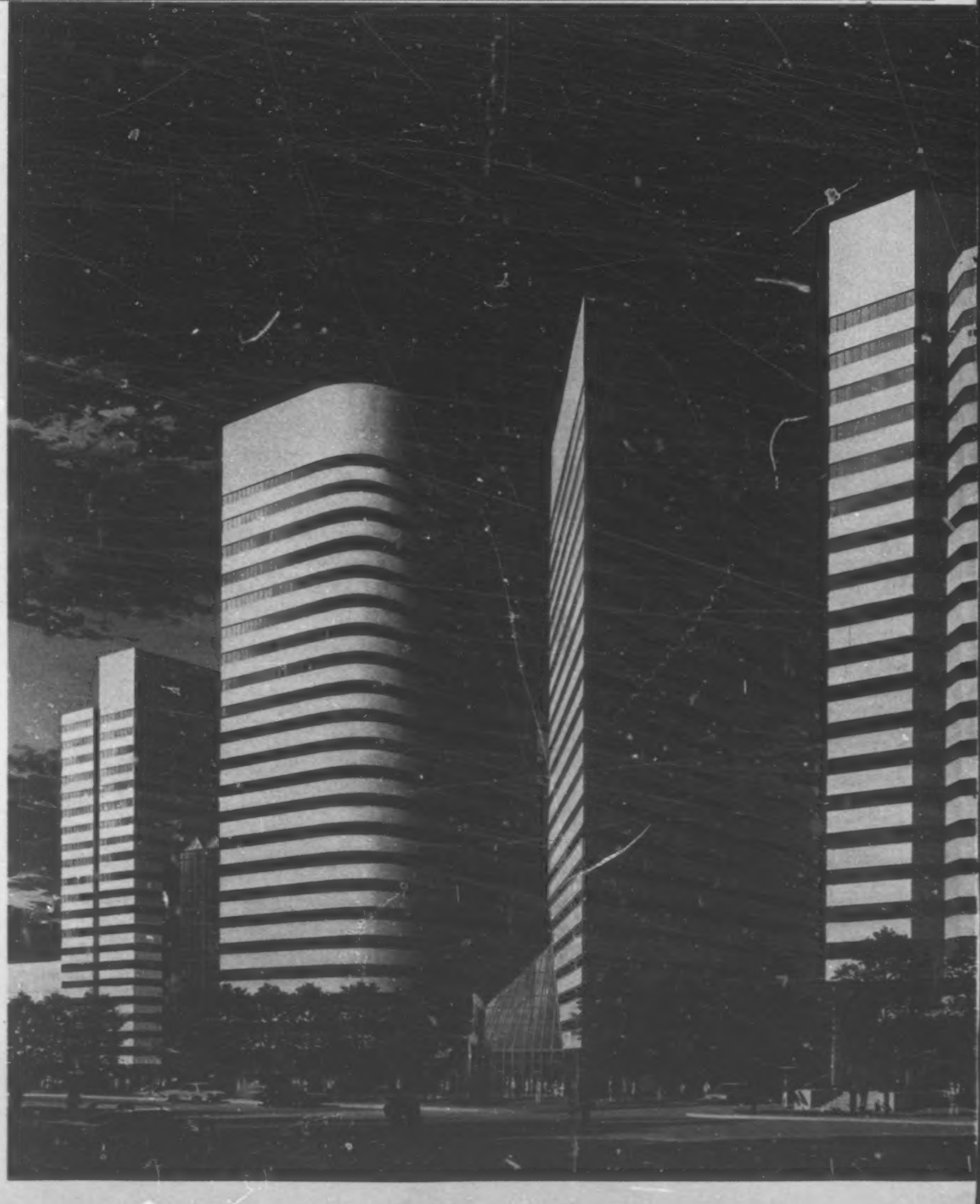
The firm manages $113.6 million in U.S. real estate equity for foreign pension funds.

The market value of property investments is estimated at $181.3 million.

Jacques & Kurdziel provides fully discretionary and non-discretionary individual investment management and investment consulting for its clients.

It invests in office buildings, shopping centers, hotels and industrial properties.

It has 80% of the tax-exempt assets invested in existing properties and 20% invested in development properties.



JMB institutional Realty Corp.

875 N. Michigan Ave., Suite 3900,
Chicago, Ill. 60611; (312) 440-5042

JMB Institutional Realty Corp. manages $545 million in real estate equity for 78 tax-exempt clients. The market value of investments is estimated at $545 million. It has $50 million invested in equity-oriented mortgages.

The firm offers closed-end real estate funds and real estate investment trusts. JMB will also accept 1-2 separate accounts in the minimum range of $100 million, seeking properties with different size, risk and other criteria from the firm's commingled funds.

JMB Group Trust III invests in equity interests in real property in the United States, primarily office buildings and shopping centers. All of its tax-exempt assets are in existing properties.

Clients include Consolidated Edison, Chrysler, Eastman Kodak, Columbia University, Cornell University and Notre Dame.

The client contact is John S. Lillard, president.

Jones Lang Wootton Realty Advisors

499 Park Ave., New York, N.Y. 10022;
(212) 688-8181

Jones Lang Wootton Realty Advisors has $200 million in tax-exempt assets under management but not yet invested. It will begin investing by year-end. It has invested $700 million in U.S. real estate for foreign pension funds.

Jones Lang Wootton provides fully discretionary individual investment management.

It invests in office buildings, shopping centers, light industrial structures and hotels.

Clients include Pennsylvania Public School Employees' Retirement System, British Airways and National Waterworkers Pension Fund.

John A. Weisz, president, is the client contact.

k

Thomas L. Karsten Associates

10960 Wilshire Blvd., Suite 2232, Los Angeles, Calif. 90024; (213) 477-2481

The firm manages $294.4 million in real estate equity for six tax-exempt clients. The market value of property investments made with tax-exempt assets is estimated at $145 million. There is $50 million invested in participating mortgages.

Thomas L. Karsten Associates provides fully discretionary individual investment management, open- and closed-end funds, investment consulting and individual investment management on a co-fiduciary basis.

All investments for tax-exempt clients are in existing office buildings, industrial properties and shopping centers. Clients include LTV, Lockheed Aircraft and The First Interstate Bancorp.

The client contact is Donald C. Luchessa, senior vice president, at (415) 544-5476.

Kennedy Associates Real Estate Counsel Inc.

2400 Financial Ctr., Seattle, Wash.
98161; (206) 624-9640

The firm manages $340 million in real estate equity for nine tax-exempt clients. It also has $65 million invested in mortgages.

Kennedy Associates offers fully discretionary individual investment management and open-end funds. Investments are made in office buildings, shopping centers, warehouses and hotels; 95% of the tax-exempt assets are invested in existing properties and 5% in development properties.

The client contact is Jim C. Snyder, president.

l

Landauer Advisors Inc.

200 Park Ave., Suite 3710, New York,
N.Y. 10166; (212) 687-2323

Landauer has a closed-end fund with $35 million in tax-exempt assets. The firm also has invested $320 million in U.S. real estate for foreign pension funds.

It offers fully discretionary individual investment management, closed-end funds and investment consulting.

All investments are in existing properties.

The firm has four U.S. tax-exempt clients.

Clients include Dutch Shell, Unilever of London, General Motors, Honeywell, General Tire and Monsanto.

The client contact is Patrick J. Callan, president.

The Landsing Corp.

800 El Camino Real, Suite 400, Menlo
Park, Calif. 94025; (415) 321-7100

Landsing has $100 million invested in real estate equity for its tax-exempt clients. The market value of property investments is estimated at $300 million. It also has $7 million invested in mortgages.

The firm provides closed-end funds, investment trusts, investment consulting and joint ventures in participating/convertible debt.

All tax-exempt assets are made in existing office, apartments, shopping centers, light industrial and agricultural properties.

Clients include Stanford University Endowment Fund.

The client contact is Grayson Sanders, executive vice president.

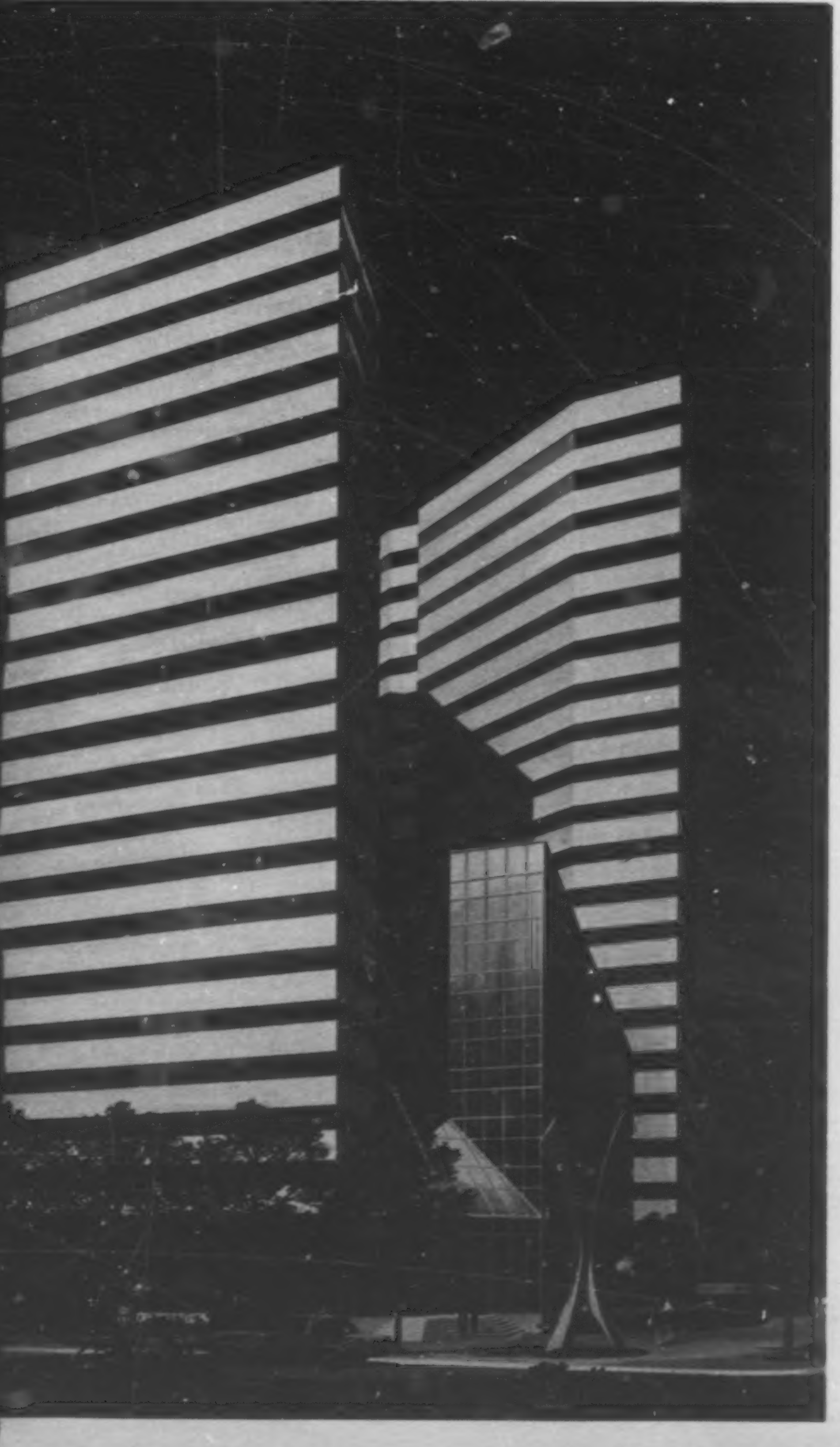
LaSalle Advisors Inc.

11 S. LaSalle St., Chicago, Ill. 60603;
(312) 782-5800

The firm has $700 million in real estate equity for its more than 20 tax-exempt clients. The market value of real estate properties in which tax-exempt assets have been invested is estimated at $467 million.

LaSalle Advisors offers fully discretionary individual investment management and closed-end funds.

It invests in existing office build-



Richmond's $300 million James Center is a city within a city. Just one of the many major projects (regional centers, office complexes, and mixed-use developments) being developed by Faison Associates throughout the Southeast.

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ings, shopping centers and industrial parks.

The client contact is Stanislaw Maliszewski, vice president.

Lawrence-Pearce Urstadt Advisors

90 Park Ave., New York, N.Y. 10016;
(212) 682-1400

The firm offers a closed-end real estate fund for tax-exempt investors that has yet to be closed. Investments will be made in office buildings, hotels, shopping centers and industrial parks.

The client contact is Robert P. O'Brien, vice president, at (212) 306-9308.

Lazard Realty Inc.

666 Fifth Ave., New York, N.Y. 10103;
(212) 974-0470

Lazard manages $160 million in real estate equity for three tax-exempt clients. The market value of real estate properties in which tax-exempt assets have been invested is estimated at $400 million. The firm also has $90 million in mortgages.

The firm provides real estate co-investment. Lazard invests in office, retail, industrial and multifamily residential structures. Existing properties account for 70% of the tax-exempt investments.

Lehndorff & Babson Real Estate Counsel Inc.

2501 Cedar Springs, Dallas, Texas
75201; (214) 871-7688

The firm manages $180 million in real estate equity for four tax-exempt clients. Investments of more than $100 million also have been made in U.S. real estate for foreign pension funds.

Lehndorff & Babson offers fully discretionary individual investment management, closed-end funds and investment consulting. It invests in office and retail properties. Eighty percent of the tax-exempt assets are invested in existing properties and 20% in development properties.

In Canada, other Lehndorff entities sponsor and manage three real estate investment vehicles for pension funds that have contributed equity of $85.4 million and total assets of $105.4 million.

The client contacts are Robert M. Angland, executive vice president, in Dallas and Blake Colvin, vice president and Ronald T. Janes, executive vice president, in Toronto at (416) 869-7905.

Lieberman Cos.

554 Middle Neck Road, Great Neck,
N.Y. 11023; (516) 466-6565

Lieberman Cos. manages $2.5 million in real estate equity for 15 tax-exempt clients. The market value of the properties is estimated at $12 million.

The firm provides fully discretionary individual investment management. All investments are in existing properties.

The client contact is Bruce R. Lieberman, president.

Lincoln National Pension Insurance Co.

1700 Magnavox Way, Fort Wayne,
Ind. 46804; (219) 427-4711

The firm manages $7.5 million in real estate equity for two U.S. tax-exempt clients. The market value of those investments is estimated at $9.3 million.

Lincoln National provides fully discretionary individual investment management, open-end funds, investment consulting and joint venture accounts. It invests in office, retail, industrial and hotel properties.

The client contact is Ernest Fair Jr., assistant vice president.

Loeb Partners Realty

521 Fifth Ave., New York, N.Y. 10175;
(212) 883-0371

The firm manages $75 million in real estate equity for one tax-exempt client. The market value of those assets is estimated at $125 million. It also has invested $150 million in U.S. real estate for foreign pension funds.

Loeb Partners offers fully discretionary individual investment management, real estate investment trusts, investment consulting and individual investments. The firm invests in existing income-producing office buildings, shopping centers, office/warehouses and multifamily properties.

The client contact is Gary L. Naughton, vice president.

The Lomas & Nettleton Advisory Group Inc.

P.O. Box 225644, Dallas, Texas
75265; (214) 761-8297

The firm has invested $30 million in U.S. real estate for a foreign pension fund. The market value of those assets is estimated at $35 million. It also has $232 million invested in mortgages for tax-exempt investors.

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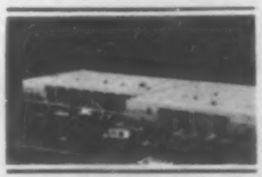

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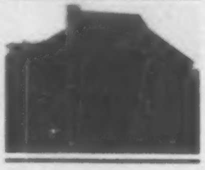

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discretionary and non-discretionary individual investment management, closed-end funds and investment consulting.

It invests in office, retail, industrial, multifamily and hotel properties. Investments are split evenly between development and existing properties.

The firm has one U.S. tax-exempt client for realty management. Its clients include the Teacher Retirement System of Texas and Stichting Samenworkende Pensionfondsen of the Netherlands.

The client contact is David A. Ridley, vice president.

m

Marsh & McLennan Real Estate Advisors Inc.
1221 Avenue of the Americas, New York, N.Y. 10020; (212) 997-7682

The firm is just starting up operations and has no real estate assets under management. It offers fully discretionary individual investment management, closed-end real estate funds and real estate investment consulting. It also proposes offering real estate investment trusts.

It will invest in office buildings, shopping centers and industrial properties.

The client contact is Craig R. Stapleton, president.

Massachusetts Mutual Life Insurance Co.
1295 State St., Springfield, Mass. 01111; (413) 788-8411

Massachusetts Mutual manages $40 million in real estate equity for 47 U.S. tax-exempt clients. The market value of those investments is estimated at $40 million.

Massachusetts Mutual offers open-end funds and real estate investment trusts.

It invests in office, industrial, shopping centers and hotel/motel properties. Of the tax-exempt assets, 90% are invested in existing properties and 10% in development properties.

The client contact is Peter J. Vogian, vice president.

Mellon Financial Services Real Estate Investment Management Group
551 Madison Ave., New York, N.Y. 10022; (212) 702-4040

The real estate investment group manages $200 million in real estate equity for six tax-exempt clients. The market value of those investments is estimated at $450 million. It also has $250 million in mortgages.

The firm provides fully discretionary individual investment management; a closed-end fund is to be announced.

It invests in existing office buildings, warehouse, light industrial buildings and shopping centers.

Clients include Westinghouse Electric, Borg-Warner, Nicor, Joint Municipal Employees Retirement System of Georgia, General Retirement System of the city of Detroit and the Detroit Policemen and Firemen Retirement System.

The client contact is Karin Shewer, vice president, at (212) 702-4049.

Mercantile Trust Co. N.A.
P.O. Drawer 387, St. Louis, Mo. 63101; (314) 425-2743

Mercantile Trust manages $38.2 million in real estate equity for nine tax-exempt clients. The market value of real estate properties in which tax-exempt assets have been invested is estimated at $26.9. There are $13 million invested in mortgages.

The firm provides an open-end real estate fund.

Investments are made in industrial, retail and office properties, with 82.4% in existing properties and 17.6% in development properties.

The client contact is Arthur C. Jones, vice president.

Merrill Lynch, Hubbard Inc.
2 Broadway, New York, N.Y. 10004; (212) 908-8496

The firm manages $240 million in real estate equity for tax-exempt clients. The market value of investments is estimated at $240 million.

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Merrill Lynch provides closed-end funds and investment trusts.

Investments are made in existing commercial, industrial and residential properties.

Until recently, Merrill Lynch had eight separate direct investment pension clients under real estate management but after a corporate shake-up, only two remain.

The client contact is Anthony Niosi, vice president.

Metropolitan Life Insurance Co.

1 Madison Ave., New York, N.Y. 10010; (212) 578-2211

Metropolitan Life manages $318 million in real estate equity for 27 tax-exempt clients. The market value of investment properties is estimated at $227 million. It also has $55 million invested in mortgages.

Metropolitan Life offers fully discretionary individual investment management, and closed- and open-end funds.

Investments are made in office, retail, hotel, industrial and research and development properties.

The client contact is Peter Braun, vice president.

MH/Edie Investment Counsel

600 Fifth Ave., New York, N.Y. 10020; (212) 957-1207

MH/Edie manages $30 million in real estate equity for six tax-exempt clients. The market value of property investments is estimated at $45 million. There is also $449 million in mortgages.

It provides fully discretionary individual investment management, open- and closed-end funds, investment consulting and direct equity or mortgage investment or a combination of the two.

It invests in single-family and multiunit residential, industrial and commercial properties. Ninety percent of the investments are in existing properties.

Clients include Arizona State Carpenters; Operating Engineers Local #428 Health & Welfare Trust Fund; Arizona Laborers, Teamsters & Cement Masons; Construction Laborers Pension Trust; and Cement Masons Pension Fund.

The client contacts are E. Robert Genthe, vice president and manager, in Los Angeles at (213) 489-5770, and William E. Miller, vice president and regional manager, in Phoenix at (602) 264-2157.

MONY (Mutual of New York)

1740 Broadway, New York, N.Y. 10019; (212) 708-2600

MONY has $17 million in tax-exempt assets invested in real estate equity through its pooled account #7.

MONY offers fully discretionary individual investment management, open-end funds, real estate investment trusts and investment consulting.

It invests in existing office buildings and shopping centers. There are 25 tax-exempt clients.

The client contact is Phillip N. Maisano, divisional vice president.

Morgan Guaranty Trust, Real Estate Group

9 W. 57th St., New York, N.Y. 10019; (212) 826-7650

Morgan Guaranty manages a total of $1.57 billion in tax-exempt, real estate assets. It has $800 million in separate accounts and open-end funds, $200 million in leasebacks and $570 million in mortgages.

It also has invested $278 million in U.S. real estate for foreign pension funds.

The firm offers fully discretionary and non-discretionary individual investment management, open-end funds and a fixed-income, direct placement mortgage real property fund.

Investments are made in office buildings, shopping centers and industrial/research and development properties.

Eighty-three percent of the tax-exempt assets are invested in existing properties and 17% in development properties.

There are 196 tax-exempt clients in Morgan Guaranty's open-end fund and separate accounts and 200 in its mortgage fund.

The client contact is Rohit Desai, senior vice president.

The Mutual Benefit Life Insurance Co.

520 Broad St., Newark, N.J. 07101; (201) 481-8647

Mutual Benefit manages $16 million in real estate equity for six tax-exempt clients. The market value of real estate property investments is estimated at $14.5 million.

Mutual Benefit Life provides an open-end real estate fund. It invests in existing office and industrial properties.

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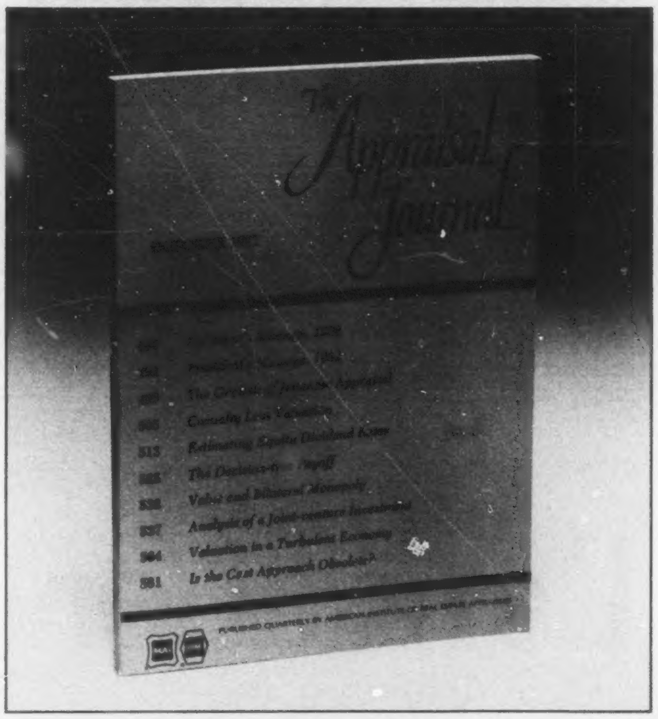

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National Bank of Commerce of San Antonio

Trust Division, P.O. Drawer 121, San Antonio, Texas 78291; (512) 225-2511

The bank manages $10 million in real estate equity for eight tax-exempt clients. The market value of real estate property investments is estimated at $6 million.

The bank offers private placement and management in the San Antonio and south Texas area for large individual funds. It makes custom searches in the San Antonio market. Investments are made in existing shopping centers, office buildings, farmland and oil and gas properties.

The client contacts are Mark Freeman and Gene Dunbar.

NCNB National Bank

1 NCNB Plaza, Charlotte, N.C. 28255; (704) 374-8379

NCNB manages $255 million in real estate equity for 335 U.S. tax-exempt clients. The market value of the property investments is estimated at $205 million.

It offers fully discretionary individual investment management, and open- and closed-end funds.

The bank invests in Southern commercial and industrial properties. Of those investments made with tax-exempt assets, 85% are development and 15% are existing properties.

Clients include United Telecommunications, Eastern Airlines Pilots Association, Sunoco Products and Interamerican Development Bank.

Robert L. Reynolds, vice president, is the client contact.

New England Mutual Life Insurance Co.

501 Boylston St., Boston, Mass. 02117; (617) 578-2000

New England Mutual has $1.9 billion invested in mortgages for tax-exempt investors. Equity real estate activities are managed by its subsidiary, Copley Real Estate Advisors.

Investments are made in office buildings, industrial parks, research and development facilities, hotels, apartments and retail establishments.

Existing properties account for 25% of investments made with the tax-exempt assets, development properties for 75%.

The company handles about 2,500 tax-exempt clients, including Carolina Mills; Cotter & Co.; Norris, Beggs & Simpson; Southland Corp.; and Wilmington Shipping.

The client contacts are Donald I. Gregg, vice president, and Chuck Goldin, assistant vice president.

New York Life Insurance Co.

51 Madison Ave., New York, N.Y. 10010; (212) 576-3832

New York Life manages $29 million in real estate equity for nine tax-exempt clients. The market value of property investments made with tax-exempt assets is estimated at $22.7 million.

The firm provides a closed-end real estate fund. Investments are made in completed and leased commercial properties in the $2 million to $20 million range.

The client contact is Thomas J. Connolly, pension vice president.

p

Pacific Mutual Realty

700 Newport Center Drive, Newport Beach, Calif. 92660; (714) 640-3000

The firm manages $50 million in real estate equity for three U.S. tax-exempt clients.The market value of property investments made with tax-exempt assets is estimated at $20 million.

Pacific Mutual offers closed-end funds and invests in existing office, light industrial and shopping center properties.

Its clients are United Airlines, state of Washington and Southern California Edison.

The client contacts are Neal A. Randle, vice president, and J. Raymond Walker, vice president.

Paine Webber Properties Inc.

100 Federal St., Boston, Mass. 02110; (617) 423-8150

Paine Webber manages $65 million in real estate equity for its tax-exempt clients. The market value of property investments is estimated at $65 million. The firm also has $47.5 million invested in mortgages.

The firm provides a closed-end real estate fund. It invests in existing shopping centers, office buildings, apartments, and hotels.

The client contact is Deborah D. Ames, manager-investor services department.

Victor Palmieri and Co. Inc.

2021 K St. NW — Suite 700, Washington, D.C. 20006; (202) 223-8690

Victor Palmieri and Co. manages $135 million in real estate equity for five tax-exempt clients. The market value of properties in which those assets have been invested is estimated at $170 million. The company also has $530 million invested in mortgages.

It provides closed-end real estate funds for its tax-exempt clients, investing in commercial and residential properties, including office buildings, hotels and apartments. Of those investments for tax-exempt clients, 90% are in existing and 10% are in development properties.

The firm has invested $3 million in U.S. real estate for foreign pension funds.

The client contact is John A Koskinen.

The Peckham Boston Co.

4 Longfellow Place, Boston, Mass. 02114; (617) 523-4440

The Peckham Boston Co. manages $20 million in equity real estate for its four tax-exempt clients. The estimated market value of properties is also $20 million.

The firm provides fully discretionary individual investment management, closed-end real estate funds, investment trusts, investment consulting and joint ventures for condominium/cooperative conversions and development.

All investments are in existing residential, office building, industrial and shopping center properties.

John M. Peckham III, president, is the client contact.

Penmark Real Estate Fund
222 N. Dearborn St., Chicago, Ill.
60601; (312) 641-6577

The firm is marketing a closed-end real estate fund, which it has yet to close. It plans to invest on an equity basis in commercial properties, including office buildings and parks, warehousing and distribution facilities, and shopping center and retail complexes.

The client contact is John K. Webster, executive vice president.

Phoenix Mutual Life Insurance Co.
1 American Row, Hartford, Conn.
06115; (203) 278-1212

The company manages $44 million in real estate equity for 31 tax-exempt clients. It also has $4 million invested in mortgages. The market value of real estate properties in which tax-exempt assets have been invested is estimated at $27 million.

Phoenix Mutual provides fully discretionary individual investment management and open-end funds.

All of the tax-exempt assets are invested in existing offices, hotels, office/warehouse, apartments and shopping centers.

The client contact is Joel C. Cohen, vice president.

Property Capital Advisors Inc.
200 Clarendon St., Boston, Mass.
02116; (617) 536-8600

The firm manages more than $180 million in real estate equity. The market value of real estate properties in which those assets have been invested is estimated at more than $500 million.

The firm provides real estate investment trusts and participation in direct equity investments for its tax-exempt clients.

Investments are made in existing office buildings, shopping centers, industrial and mixed-use properties.

There are 30 U.S. tax-exempt clients, including Harvard University, Massachusetts Institute of Technology, United States Steel, the World Bank and Carnegie Corp.

The client contact is John A. Cervieri Jr., president.

The Prudential Insurance Co. of America
Prudential Plaza, Newark, N.J. 07101;
(201) 877-3735

Prudential has $5.35 billion in tax-exempt assets in real estate equity. The market value of investments made with tax-exempt assets is estimated at $4.9 billion. It also has $120 million invested in mortgages.

It offers fully discretionary individual investment management and open- and closed-end funds.

Investments are made mostly in existing office, industrial, commercial, hotels/motels, apartments, agricultural and land properties. Three percent of the assets go to development properties. There are 382 tax-exempt clients.

The client contact is James H. Gately, vice president.

Prudential Mortgage Bankers & Investment Corp.
2067 Mt. Diablo Blvd., Walnut Creek,
Calif. 94596; (415) 933-6846

The firm has $25 million invested in mortgages for 43 tax-exempt investors.

Prudential Mortgage provides fully discretionary individual investment management. All investor funds are in existing properties and are placed in second deeds of trust on single-family residences in selected areas.

The client contact is Bill Kleisath, president.

Public Storage Inc.
P.O. Box 6000, Pasadena, Calif.
91109; (213) 682-3601

Public Storage manages $200 million in real estate equity for tax-exempt clients. The market value of real estate investment properties is estimated at $250 million.

The firm provides closed-end real estate funds and investment trusts. Investments are made in self-service storage facilities and office/light industrial business park properties. Development properties account for 95% of the investments made with tax-exempt assets.

Public Storage has invested $10 million in U.S. real estate for foreign pension funds.

Clients include Arco, Borg-Warner, Westinghouse and Minneapolis Teachers' Retirement Fund.

The client contact is Paul D. Quadros, senior vice president.

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RepublicBank Dallas
P.O. Box 241, Dallas, Texas 75221;
(214) 653-7770

RepublicBank manages $80 million in real estate equity for 20 tax-exempt clients. It also has $5.5 million invested in mortgages.

It provides fully discretionary individual investment management, investment consulting and open- and closed-end funds.

The bank has 90% of the tax-exempt assets invested in existing office buildings, industrial, warehouse and shopping center properties.

Ten percent of the tax-exempt realty assets are in development properties.

The client contact is Stan D. Miller, vice president and trust officer.

The RREEF Funds
650 California St., 18th Floor, San
Francisco, Calif. 94108; (415)
781-3300

The RREEF Funds manages $1.5 billion in real estate equity for 47 tax-exempt clients. That same amount has been estimated as the market value of property investments.

All investments are through closed-end funds and in existing properties such as shopping centers, office buildings and industrial properties.

Clients include American Telephone & Telegraph and the state of Virginia.

The client contact is Paul Sack, principal.

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s

Salomon Bros. Inc.
1 New York Plaza, New York, N.Y.
10004; (212) 747-7373

Salomon Bros. Inc. has $12 million in tax-exempt assets invested in mortgages.

The company offers real estate investment consulting and non-discretionary advisory services.

Salomon Bros.' real estate investments are in general-purpose properties such as office buildings, shopping centers and industrial buildings.

All of its investments are in developmental properties.

The firm has one U.S. tax-exempt client, the Teacher Retirement System of Texas.

The client contact is Bill Kitley, vice president.

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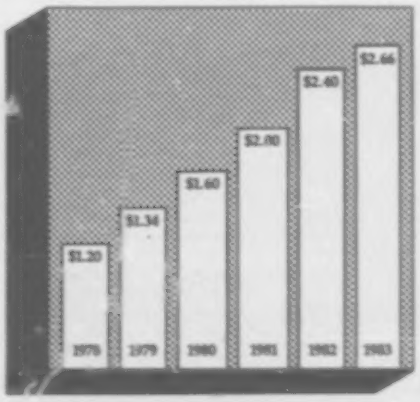

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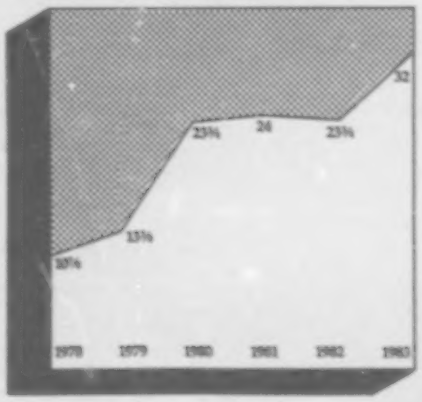

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The Directory:

■ Organizations managing real estate assets for individual tax-exempt funds with brief descriptions of investment approach, minimum account size, fees, and contact person.

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Fayez Sarofim & Co.

2 Houston Center, Suite 2907,
Houston, Texas 77010; (713)
654-4484

The firm manages $49 million in real estate equity for nine tax-exempt clients. The market value of properties in which tax-exempt assets have been invested is estimated at $43 million.

Fayez Sarofim & Co. offers fully discretionary individual investment management, closed-end funds and investment consulting. All investments are made in development properties such as office, retail and industrial.

The client contact is Joshua M. Brown, principal, real estate division.

Scudder Realty Advisors Inc.

333 S. Hope St., 37th Floor, Los
Angeles, Calif. 90071; (213)
628-1144

Scudder Realty Advisors manages more than $200 million in real estate equity for its 12 tax-exempt clients. The company also has more than $400 million invested in mortgages.

Scudder offers fully discretionary individual investment management and real estate investment consulting. Investments are made in income-producing commercial and residential properties. Existing properties account for 70% of the investments and development properties, 30%.

Clients include the counties of Los Angeles, Ventura and Sacramento, the city of San Diego, the Los Angeles carpenters and San Diego carpenters.

The client contact is Christopher B. Davis, vice president.

Smith, Barney Real Estate Corp.

1345 Avenue of the Americas, New
York, N.Y. 10105; (212) 399-6505

Smith, Barney manages $200 million in real estate equity for 103 U.S. tax-exempt clients. The market value of property investments made with those assets is estimated at $225 million.

The firm provides open-end real estate funds and invests in existing apartment and office buildings, shopping centers and light industrial facilities.

The client contact is Lewis W. Kresch, first vice president.

Sovereign (A division of Butcher & Singer Inc.)

211 S. Broad St., Philadelphia, Pa.
19107; (215) 985-5000

Sovereign manages $45 million in real estate equity for five tax-exempt clients. The market value of those investments is estimated at $105 million. The firm also has $45 million invested in mortgages.

The firm provides closed-end funds, investment consulting and participating mortgages. It invests in apartments, offices, rehabilitations and shopping centers. All investments are in existing properties.

The client contact is Lester C. Boeckel, managing director.

State Street Bank & Trust Co.

225 Franklin St., Boston, Mass.
02110; (617) 786-3250

The State Street Bank manages $50 million in real estate equity for its tax-exempt clients. The estimated market value of the investment properties is $112 million.

The bank provides closed-end real estate funds. All investments are in commercial, income-producing properties.

There are five U.S. tax-exempt clients for realty management: Honeywell, International Paper, United Mine Workers of America Health and Retirement Plans, Mars and Wyman-Gordon.

The client contacts are Harry Sterling Jr., vice president, and Robert E. Kilroy, assistant vice president.

t

Tamarack Associates

P.O. Box 1924, Stockton, Calif.
95201; (209) 957-2747

Tamarack Associates manages $5 million in real estate equity for five tax-exempt clients.

The market value of Tamarack Associates' real estate investment properties is estimated at $1 million.

The firm offers fully discretionary individual investment management, investment consulting and equity participation mortgages.

All tax-exempt assets are invested in existing commercial and apartment properties.

The client contact is David M. Soares, investment counsel.

TCW Realty Advisors

800 W. Sixth St., Suite 850, Los
Angeles, Calif. 90017; (213)
629-8344

The firm manages $172.5 million in real estate equity for 25 tax-exempt clients.

The market value of real estate properties in which tax-exempt assets have been invested is estimated at $7 million.

TCW Realty offers fully discretionary individual investment management and closed-end real estate funds.

All investments made with tax-exempt assets are in existing multipurpose, inflation-sensitive office, commercial and industrial properties.

The client contact is Bruce L. Ludwig, senior partner.

Third National Bank

Fourth & Church, Nashville, Tenn.
37244; (615) 748-4624

The bank manages $17 million in real estate equity for its tax-exempt clients. The market value of real estate properties in which tax-exempt assets have been invested is estimated at $15 million.

It also has $750,000 invested in mortgages.

Third National provides fully discretionary individual investment management, open-end funds and investment consulting.

Investments for tax-exempt clients are made in fully developed and leased office buildings, shopping centers and industrial facilities.

The firm has 43 tax-exempt clients, including Memphis Gas, Light & Water and Murray Ohio Manufacturing.

The client contact is Rusty Benton, marketing consultant.

Travelers Insurance Co.

1 Tower Square, Hartford, Conn.
06115; (203) 277-7777

Travelers Insurance manages $603 million in real estate equity for 113 U.S. tax-exempt clients. The market value of property investments is estimated at $574 million. It also has $3.7 billion invested in mortgages.

Travelers offers fully discretionary individual investment management, open- and closed-end real estate funds, real estate investment trusts and investment consulting.

The firm invests in existing office buildings, shopping centers, industrial/warehouses, apartments, agriculture and timberland.

Its clients include the states of Connecticut and Maine, Caterpillar Tractor, Conoco, Monsanto and Standard Oil of California.

Thomas E. Keating, vice president-group pensions, is client contact.

Trident Investment Management Inc.

80 E. Ridgewood Ave., Paramus, N.J.
07652; (201) 265-9600

Trident only recently added a real estate capability to its management services. It offers fully discretionary individual investment management, closed-end funds, investment trusts, investment consulting and equity participating mortgages.

Investments will be made in both existing and development properties such as multifamily, commercial, industrial and shopping centers.

The client contacts are Kenneth E. Peterson, senior vice president, in New Jersey and H. Lawrence Hull Jr., president, in California at (213) 947-8784.

W

Wachovia Bank & Trust Co.

P.O. Box 3099, Winston-Salem, N.C.
27102; (919) 748-5906

The bank manages $420 million in real estate equity for its tax-exempt clients. The market value of property investments is estimated at $379.5 million.

Wachovia offers fully discretionary individual investment management and open-end funds.

Investments are made in industrial parks, office complexes and warehouse facilities. Existing properties account for 87.4% of the investments made with tax-exempt assets; development properties account for the remaining 12.6%.

The bank has 300 tax-exempt clients for real estate.

The client contact is Nicholas L. Verano III, vice president.

Wells Fargo Realty Advisors

330 Washington St., Marina del Rey,
Calif. 90292; (213) 822-2032

Wells Fargo Realty has more than $400 million in real estate equity for 40 tax-exempt clients. The market value of real estate properties in which tax-exempt assets have been invested is estimated at more than $400 million.

The firm offers fully discretionary individual investment management and open- and closed-end funds.

Investments are made in office, industrial, research and development and retail properties.

Existing properties account for 85% of the investments made with tax-exempt assets; development properties for 15%.

The firm has $30 million invested in U.S. real estate for foreign pension funds.

Its clients include General Motors, United Nations, British Gas and Esso Petroleum.

The client contact is J. Michael Johnson, vice president and director of capital acquisition, at (415) 396-5232.

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NEW YORK — Major institutional investors are bullish on Merrill Lynch's research, favor Salomon Bros.' fixed-income abilities, and go for Goldman Sachs' all-around abilities.

Merrill's equity research was rated best by a wide margin in a survey of the nation's largest money managers by *Pensions & Investment Age*, and the managers backed up their opinions with dollars, directing more of their brokerage activity through Merrill than any other firm.

However, the institutions favored Goldman Sachs for equity block trading, and Salomon Bros. for fixed-income research and fixed-income execution.

The chief investment officers of a sample of the nation's largest investment management organizations were asked to identify the best three firms for equity research, equity trading, fixed-income research and fixed-income execution.

On the basis of three points for a first-place mention, two points for second and one point for third, Salomon Bros. gained the highest overall rating with 247 points.

However, it received only one point for equity research. Its strength was in fixed-income research and execution and, to a lesser extent, in equity trading.

Goldman Sachs, on the other hand, although scoring lower overall than Salomon and being rated top only in equity trading, was in the top three in all four categories and therefore might be identified as the most balanced organization.

The institutions responding to the survey managed more than $150 billion, with five managing more than $10 billion each and 20 managing more than $1 billion each.

They spent $102.7 million in brokerage fees in 1982: Merrill received $4.1 million; Goldman Sachs, $3.3 million; Salomon, $2.1 million; E.F. Hutton, $1.8 million; and Morgan Stanley, $1 million.

The greatest amount spent on brokerage fees was $15 million, while the median amount spent on brokerage fees was $900,000.

The average trading cost was 13.4 cents per share, up slightly from the 12.5 cents per share recorded in a similar survey two years ago. The highest average commission paid was 35 cents a share, and the lowest was 0.085 cents per share. However, the brokerage fees were spread far and wide, with one institution using 200 different brokerage firms in 1982; the median institution in the survey using 32. The institutions also were asked to name the best three regional

Continued on page 16

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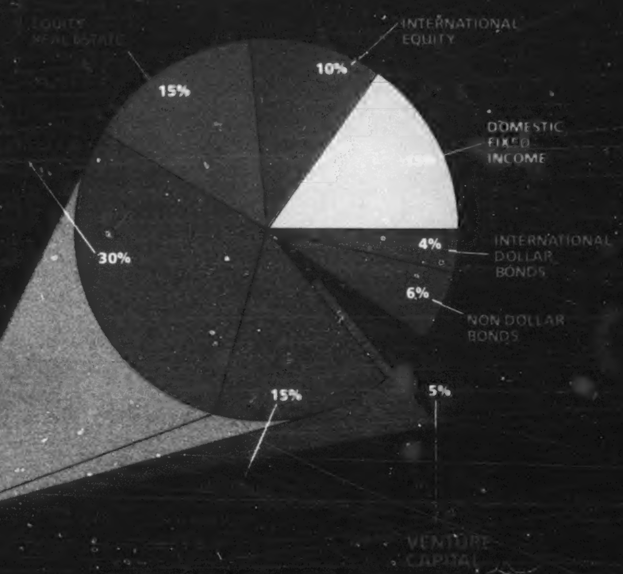
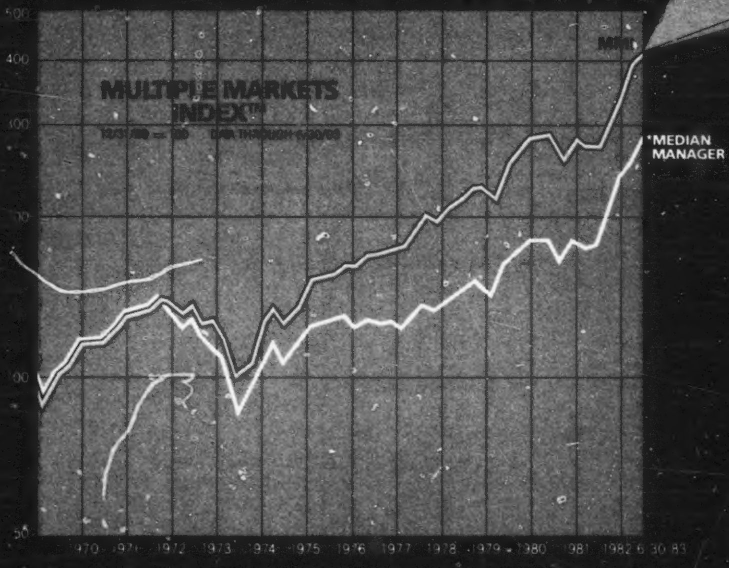


The key determinant in the long-term success of any investment program is the basic asset allocation decision—what asset classes are used in the portfolio and at what weights. Historical data provide solid evidence that investing in a broad array of asset classes lowers overall portfolio volatility or alternatively provides higher long-term results without a concurrent increase in risk.

Shown below are the latest data on First Chicago's Multiple Markets Index™ (MMI), a comprehensive multi-asset performance benchmark for measuring your total portfolio results. The MMI, carefully constructed to be a fair and representative proxy for a fully integrated institutional portfolio, uses passive market components and fixed policy weights.



Venture Capital is a significant element in First Chicago's multi-asset portfolio. It has contributed a five year annualized return of 37.6%. For more than a decade First Chicago has been applying sophisticated skills, systems and experience to the acquisition and management of direct investments in both small and developing companies and venture partnerships.

Because of its specialized capabilities and experience, First Chicago is particularly well positioned to help employee benefit plans expand into this high growth-potential field—both through informed, personalized management of individual accounts and through our Venture Capital funds. These funds enable a retirement plan to invest in diversified portfolios of emerging companies and partnerships.

And just as the passive fixed-weight MMI should continue to outperform a conventional domestic stock bond portfolio, so the results for an actively managed diversified fund should surpass the Index. That's the basic concept underlying our Multi-Asset Portfolio Fund™ which encompasses all of the asset classes of the MMI in proportions that are actively managed to reflect changes in our strategic outlook.

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Data show many plans were overfunded in 1980

By Joel Chernoff

WASHINGTON — Sixty-one pension plans with at least 500 participants each were overfunded by $50 million or more by the end of the 1980 plan year, according to Internal Revenue Service data.

High on the list was State Farm Insurance Co.'s plan for salaried employees, with $252.7 million in excess assets out of $607.9 million in total assets.

Next came Firestone Tire & Rubber Co.'s retirement plan, chalking up a surplus of $215.1 million out of $517.9 million.

But simply looking at assets minus all accrued benefits does not tell the whole story.

While State Farm's interest rate assumption for valuing benefits was a very conservative 4%, Firestone's assumption topped the list at 13%. Most of the plans used interest rate assumptions ranging from 6% to 9%.

Using a higher interest rate diminishes the amount of assets needed to cover benefits, thus making the pension plan appear better funded.

Also, the change in liabilities hinges on the makeup of the participant population. A 1% increase in the assumption for employees already receiving benefits might mean a 5% to 10% decrease in liability, according to Gary Pines, senior vice president and actuary with Meidinger Inc., Chicago.

In comparison, a 1% rate increase for active employees could decrease corresponding liabilities by 20% to 30%, he said.

Thus, adding together the "overfunded" assets of each of the plans is like adding apples and oranges, "and a few pears," according to Manuel Castells, partner with the benefits consulting firm of Kwasha Lipton, Fort Lee, N.J.

Yet another actuary observed that some companies, fearful of becoming takeover targets, are lowering their interest rate assumptions, among other things, to make themselves appear less attractive. Still other companies have raised their assumptions during the recession to look healthier.

Not only do interest rate assumptions confuse the issue, but the figures do not indicate whether plans really are overfunded.

"Any (mature) U.S. pension plan that is funded by generally accepted cost methods will produce assets in excess of liabilities," said Robin G. Holloway, vice president of Towers, Perrin, Forster & Crosby, New York.

"Pension plans are designed to spread the cost over the years of a pension plan's rational life and will automatically produce a surplus in a plan that is mature," he said. Other actuaries point out that company contributions are planned to cover future salary assumptions, while the value of present accrued benefits would not account for future earnings.

"I would be surprised that a salary plan would be underfunded," Mr. Holloway said. Five or six years ago, however, a different measure was used for determining whether plans were well-funded. That measure was related to the ongoing funding of the plan and tended to show plans as underfunded, he explained.

"The point is, are overfunded plans really overfunded?" Mr. Pines said.

Going by the data taken from the annual 5500 Form that companies must file for each pension plan, many are. A list of roughly 3,000 plans that were overfunded to the tune of $1 million or more was compiled by the IRS at the request of Rep. Claude Pepper D-Fla., then chairman of the House Select Committee on Aging. The committee then offered the raw data to *Pensions & Investment Age*, which extracted the data on the most overfunded plans (*see box*).

Given the past year's bull markets, experts believe plans are far better off than they were at the end of 1980.

"If the purpose of the plan were to terminate it right now, it may be overfunded," said Mr. Pines. But pension plans are provided to meet long-term retirement income security goals.

Rather than terminating, most companies should be looking at what funding flexibility they could achieve to tie in with overall corprate financial needs, he added. Companies that need cash in the upcoming year can try to knock down their funding levels, Mr. Pines said.

There are other ways to maneuver an excess. Significantly over-

Continued on page 63

Pension plans overfunded by $100 million or more**

Name of sponsor/plan	Interest rate assumption for valuing benefits	Value of assets —($ millions)—	Overfunded amount —($ millions)—
State Farm Insurance Cos. Retirement Plan for U.S. Employee	4%	$607.9	$252.7
Firestone Tire & Rubber Co. Retirement Plan	13%	517.9	215.1
Shell Pension Plan	8%	1,062.3	186.2
Sun Co. Inc. Retirement Plan	7.5%	745.8	186.2
Phillips Petroleum Co. Retirement Income Plan	8%	720.0	176.4
Texaco Group Pension Plan	NA	1,037.7	169.7
United Technologies Corp. Employee Retirement Plan	NA	1,255.2	167.5
Citibank, N.A. Retirement Plan	8%	445.2	166.3
Aerojet-General Corp. Consolidated Pension Plan	NA	317.9	162.5
Sandia Corp. Retirement Income Plan	6%	423.7	154.8
John Deere Pension Plan for Salaried Employees	9%	516.2	143.2
New York Life Insurance Co. Retirement & Pension Plan	6%	475.2	140.1
Dart & Kraft Inc. Pension Plan	9%	496.2	134.9
Savings Association Retirement Fund	8%	375.8	127.7
United Air Lines Inc. Fixed Benefit Retirement Income Plan	NA	543.9	126.9
John Hancock Mutual Life Insurance Co. Pension Plan	NA	474.7	119.4
J.C. Penney Co. Inc. Pension Plan	6%	279.8	117.1
Florida Power & Light Co. Employees Pension Plan	5%	252.0	117.0
General Dynamics Corp. Retirement Plan for Salaried Employees	6%	501.3	109.9
Celanese Corp. Retirement Income Plan	7%	320.8	108.5
Martin Marietta Aluminum Pension Plan for Salaried Employees	7.9%	369.7	106.1
Great Atlantic & Pacific Tea Co. Employees Retirement Plan*	7%	293.3	103.4
TRW Inc. Salaried Pension Plan	9%	481.2	103.2
American Electric Power System Retirement Plan	8%	358.9	100.8

**As of end of 1980 plan year. (500 participants or more)

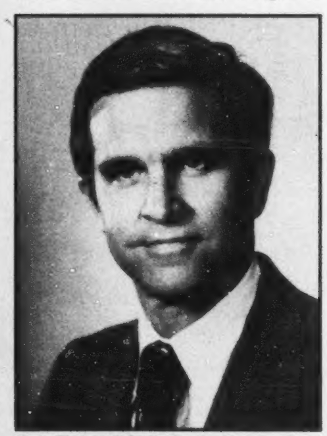
*Termination pending.
Source: Internal Revenue Service

Managers brainstorm on investment climate

InterFirst: clear weather for defense stocks

By Nancy Webman

DALLAS — More than a week after the Soviet Union shot down a civilian Korean aircraft, the ramifications of that incident on the stock market still were a topic of conversation at the investment strategy meeting of InterFirst Investment Management Inc.



Dan Forrestal: In the background

Noting that Kidder Peabody was pushing Martin Marietta stock heavily, one analyst at the Sept. 9 meeting said, "The mood for defense stocks isn't going to be negative for months."

Many of the more than 24 men and women at the meeting agreed, although one injected a note of caution. He said he believes stocks such as Martin Marietta would get by more on psychology than for any other reason.

Discussions of specific stocks are common at these sessions because of their frequency. Unlike many other investment management firms that hold weekly meetings, the InterFirst gatherings are part of the daily routine, starting every workday at 8:30 a.m.

The mood is casual, with coffee mugs adorning the conference table, a few temporarily discarded shoes underneath and almost everyone without suit jackets.

Still, there is nothing casual about the meeting.

The agenda seems so finely tuned that each presenter of information begins a split-second after the previous person finishes, much like actors in a play. The meeting begins with general discussions of the stock and bond markets and general economic conditions, then progresses to strategy and specifics on various stocks.

Actual stock selection is done at another, smaller meeting, but analysts use the general strategy session almost as a rehearsal.

At a recent meeting, for example, an analyst made a pitch to sell **Western Union** holdings.

She noted a Wall Street analyst who specializes in Western Union had revised his earnings forecast in less than 24 hours. "There's a lot of uncertainty. I'm very uncomfortable with us owning a company where we don't understand what's going on ... I'm inclined to sell," the InterFirst analyst said.

That day's sell list did not include Western Union. **Cleveland Electric, Coca-Cola, Johnson & John-**

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Capital Supervisors sees cloudy forecast for sluggish stock market

By Kimberly Blanton

CHICAGO — A sluggish stock market set a cautious pace at Capital Supervisor weekly investment meeting held Aug. 31.

Much of Capital Supervisor's decision-making involved searching out gems to place on its buy list or deciding whether to hang tough on stocks already there.

Sure buys like **American Telephone & Telegraph Co.** and **Exxon Corp.** emerged from the meeting secure on the list, next to **Archer Daniels Midland Co.** and **Allied Stores Corp.**, which held tenaciously despite poor performance. The investment group also remained positive about its large holdings in utilities.

"I don't feel like chasing anything in this market," commented Lee Thurow, reflecting the tone for the meeting. Mr. Thurow is one of three founders of the firm that was established in 1973.

Capital Supervisors manages combined stock and bond accounts primarily for public funds. The Chicago Public School Teachers' Pension & Retirement Fund is among its large accounts.

Despite equity restrictions placed on much of the money it manages, the firm still plans equity investments for $1.3 billion of its $3.3 billion in assets under management. A typical public fund has a restriction that no more than 50% of the entire fund can be placed in equities.

Following its top-down style of investment management, Capital Supervisor's discussion moves from analysis of the entire economy, through technical analysis of the stock market itself, to scrutiny of individual stock issues.

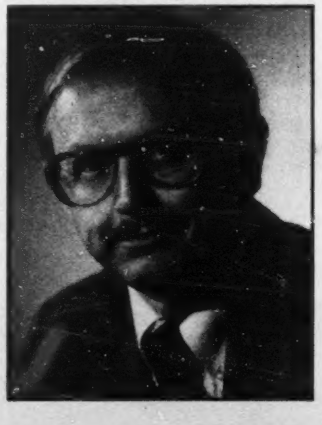
The agenda is followed closely, yet discussion is open among the four investment professionals attending the summer strategy session. Typically, six or seven attend.

Donald Brua, executive vice president and founder, started discussion with talk of the economy — the direction of interest rates in particular. The investment group affirmed his expectation that rates should resume their downward direction amid a lackluster recovery. The firm has a fully invested position in its bond portfolios.

Technical analysis of the stock market, Theodore Tonneman's specialty, pointed to a deteriorating market. Mr. Tonneman, a founder, is executive vice president.

"This market is deteriorating, and it's deteriorating a lot more than people perceive," asserted Mr. Tonneman, receiving little argument from his colleagues.

Donald Brua: leading the discussion



He painted a pessimistic scenario with "aborted rallies and low volume," setting the tone for cautious equity investing. He saw no evidence for reducing the 15% to 20% cash position in the firm's equity portfolios.

Following technical analysis, each member of the investment group recommended the stocks in his area.

Mr. Tonneman suggested **Schering-Plough Corp.** and **Hospital Corp.** as good buys, but saw few good stocks in the area he follows: health and cosmetics. "No news on the drug stocks," he added. "It's part of this lackluster market."

The signals also were mixed in Robert Streed's bag of miscellaneous stocks. "The only broad-based industries (where) I can find a trend" are in chemical and oil companies, said Mr. Streed, assistant vice president. There, Exxon, is the "No. 1 choice" to buy.

He defended the placement of Allied Stores on the buy list, although the stock is down. "Allied Stores is a very tough one," because its fundamentals are good and sales are up, he said.

"I've got some fat orders in" for AT&T, Mr. Thurow informed the

Continued on page 62

These articles introduce an occasional series in which Pensions & Investment Age *reporters will sit in on investment strategy meetings at investment advisory organizations.*

Firms sweep broker survey . . .

Continued from page 1

brokers, the best three Wall Street economists, the best three market technicians and the best market letters.

In the ranking for equity research, Merrill Lynch was the clear winner as it was named best by 15 institutions, second best by eight others and third by eight to garner 69 points. Goldman Sachs' equity research was rated second best, with 44 points. It was named best by six institutions, second best by 10 and third by six.

Morgan Stanley's equity research was rated third with 41 points. It received more first-place votes than Goldman — eight, but received fewer second- and third-place ratings.

Many others, including Paine Webber, C.J. Lawrence, Smith Barney, Prudential-Bache and Donaldson, Lufkin & Jenrette received first-place votes from a few institutions.

While the institutions like Merrill's equity research, they are less enthusiastic about its block trading.

Goldman Sachs received the highest score overall for block trading — 96 points — and had a commanding lead over Salomon Bros., 58 points; Merrill Lynch, 39 points; and Morgan Stanley, 18.

Goldman received the most votes — 20 — for the best block trading, and was named second best by 16 institutions and third best by four.

Salomon Bros. was rated best in block trading by 12 institutions and second best by 11.

Merrill Lynch's block trading was rated best by only six of the institutions, five rated it second best and eight rated it third.

Only three institutions rated Morgan Stanley's equity block trading best. None named it second best, but nine rated it third.

For fixed-income research, Salomon Bros. seems to have virtually no rival. It racked up 92 points as 25 of the 59 institutions responding to the survey named it the best in the field, six ranked it second and five ranked it third.

Its closest rival was Merrill Lynch with 42 points from six first-place votes, nine second-place votes and six third-place votes.

Goldman Sachs was third in fixed-income research overall with 37 points, followed by First Boston with 27.

Unlike equities, fixed-income research and execution apparently go together, as Salomon Bros. was again the favored firm with 97 points.

Twenty-nine institutions rated Salomon's fixed execution tops while six rated it second best and five ranked it third.

The closest rival was Merrill Lynch with 45 points from six first-place, nine second-place and six third-place votes. Trailing Merrill were Goldman Sachs, 35 points, and First Boston, 27 points.

The Wall Street economist most respected by the institutions is Ed Hyman of Cyrus J. Lawrence Inc., according to the survey.

Mr. Hyman received 50 points; he was voted best by 15 of the institutions, second best by one, and third best by three.

The second- and third-ranked economists are Gary Wenglowski from Goldman Sachs and Salomon's interest-rate guru Henry Kaufman.

Other economists receiving more than two first-place votes were Gert Von der Linde of Donaldson, Lufkin & Jenrette, four; and Edward Yardeni of PruBache and Jack Lavery of Merrill Lynch, three each.

Robert Farrell of Merrill Lynch was by far the most respected market technician with 75 points from 21 first-place votes, five seconds and two thirds. His closest competition was John Mendelson of Morgan Stanley. Other technicians getting a number of first-place votes were Stanley Berge of Tucker, Anthony & R.L. Day Ltd., and Alan Shaw of Smith Barney.

The institutions also identified their choices of the best regional brokerage concerns, but the result was less clear-cut.

Montgomery Securities of San Francisco came out on top with 29 points with four institutions voting it the best, seven ranking it second best and three placing it third. However, Hambrecht & Quist, which ranked fourth on total points had more first place votes — six — than any other regional firm.

Trailing Montgomery Securities on points were Alex Brown & Sons of Baltimore, 23 points, and Robinson Humphrey & Co. of Atlanta, 21 points.

Other firms receiving more than one vote as the best regional brokers were William Blair & Co. of Chicago, Rotan Mosle of Houston, McDonald & Co. of Cleveland, and Raymond, James & Associates, St. Petersburg, Fla.

The chief investment officers were asked where they thought the Dow Jones Industrial Average would be on Dec. 31, and most believe it will be higher than it is now. While a couple of bulls said it would be at 1,500 and one bear said it would be down at 980, the median expectation was 1,305. ■

Institutional use of brokers

How brokers rate on costs

What were the total brokerage commissions paid by your institution in 1982?

Aggregate:	$102,731,600
High:	$15,000,000
Median:	$900,000
Low:	$13,000

How many brokerage firms did you use in 1982?

High:	200
Median:	32
Low:	4

What were your trading costs per share in 1982?

High:	35¢
Average:	13.4¢
Low:	.085¢

Which three brokerage firms received most of your business in 1980, and how much went to each? (Data show firms receiving largest amounts from the respondents):

Merrill Lynch	$4,102,913
Goldman Sachs	$3,266,561
Salomon Brothers	$2,145,220
E.F. Hutton	$1,846,473
Morgan Stanley	$1,010,175

How brokers rate on research, execution

(number of mentions)

	Most often named 1st	Most often named 2nd	Most often named 3rd
Best equity research	Merrill Lynch (15) Morgan Stanley (8) Goldman Sachs (6) Kidder Peabody (4)	Goldman Sachs (10) Merrill Lynch (8) Morgan Stanley (6) Kidder Peabody (5)	Merrill Lynch (8) Goldman Sachs (6) Kidder Peabody (5) Morgan Stanley (5)
Best equity trading	Goldman Sachs (20) Salomon Bros. (12) Merrill Lynch (6) Morgan Stanley (3)	Goldman Sachs (16) Salomon Bros. (11) Merrill Lynch (5) Kidder Peabody (3)	Morgan Stanley (9) Merrill Lynch (8) Goldman Sachs (4) Smith Barney (3)
Best fixed-income research	Salomon Bros. (25) Merrill Lynch (6) First Boston (4) Lehman Bros. (3) Goldman Sachs (3)	Goldman Sachs (14) Merrill Lynch (9) Salomon Bros. (6) First Boston (4)	First Boston (7) Merrill Lynch (6) Salomon Bros. (5) Smith Barney (4)
Best fixed-income execution	Salomon Bros. (29) Merrill Lynch (5) Goldman Sachs (3) First Boston (3)	Goldman Sachs (10) Merrill Lynch (8) First Boston (7) Kidder Peabody (4)	Merrill Lynch (14) Goldman Sachs (6) First Boston (4) Pru-Bache (3)
Best regional brokers	Hambrecht & Quist (6) Robinson Humphreys (5) Alex Brown (5)	Montgomery Securities (7) Alex Brown (4) William Blair (3) Robinson Humphreys (3)	Hambrecht & Quist (4) Prescott, Ball & Turben (3) Rotan Moseley (3) Montgomery Securities (3)
Best market technicians	Robert Farrell (21) John Mendelson (7) William O'Neil (4)	John Mendelson (7) Robert Farrell (5) Allen Shaw (5)	Allen Shaw (4) Stanley Berge (3) John Mendelson (3)
Best Wall Street economists	Ed Hyman (15) Gary Wenglowski (7) Gert Von der Linde (4)	Gary Wenglowski (8) Henry Kaufman (6) Edward Yardeni (4)	Henry Kaufman (5) Jack Lavery (4) Ed Hyman (3) Richard Hoey (3)
Best market letters	Professional Tape Reader	Professional Tape Reader	Quality of Earnings Report

Cash Management

Issue #
see .405

Top 50 industrial portfolios up 25%

Firms' short-term holdings rise 26% to $49.9 billion

NEW YORK — The cash and short-term investment portfolios of the largest 100 industrial corporations rose by 26% to $49.9 billion for the year ending March 31, according to figures produced by Wright Investors' Service of Bridgeport, Conn.

The biggest increases in cash holdings were seen among the larger corporations, with the top four industrial corporations — Exxon, General Motors, Mobil and Texaco — showing a year-on-year increase of 34.1%.

The top 50 corporations registered an increase of more than 25% in the year, while the bottom 50 actually recorded a decline of 32%, the figures show.

A cash management consultant explained the figures probably demonstrated that the larger corporations, with stronger credit ratings, were able to take advantage of the market rally in its earliest stages.

If this is the case, the consultant said, he would expect the bottom 50 corporations would show increases in subsequent quarters, as the effects of the strong recovery filtered down to the lower ranks.

The corporations use the cash and short-term holdings for working capital, but taken in isolation, the figures reveal very little, according to experts. Analysts can use the figures in conjunction with other information to produce ratios for evaluating corporations.

Among highlights, McDonnell Douglas had the biggest increase in cash holdings, 3,857%, to $241 million. Its cash holdings fell to $6 million March 31, 1982, which demonstrates the magnitude of fluctuation in working capital in the aircraft manufacturing business.

General Dynamics Corp. came in with the second largest increase in cash holdings for the period, 1,663%, to $78 million. It also spends large amounts to develop new technologies before receiving payments for aircraft orders.

Two other aircraft manufacturers, Lockheed Corp. and Boeing Co., experienced two of the biggest drops in holdings. Boeing's drop was a result of costs incurred through the development of the 757 passenger aircraft.

Greyhound Corp. saw a big jump in the level of its cash and short-term holdings, 668%. At the end of the third quarter of 1982, Greyhound's reported holdings fell to $1 million. By the end of 1982, cash and short-term holdings had climbed back up to $23 million, still a 42% drop from higher 1981 levels.

Union Pacific, which showed a 518% increase in cash holdings, held $428 million at the end of March 1983. Its growth was ascribed to the Missouri Pacific takeover that took place at the end of 1981. Missouri Pacific had a large amount of cash when the takeover took place, according to James Leahy, assistant treasurer.

The biggest drop in cash and short-term holdings was reported by McDermott Inc. at 73%. According to a spokesman, the figure is misleading. McDermott now actually has more cash, he said, only it made a decision to go long in the market and purchased $698 million long-term government bonds paying about 12.5%. The longer term instruments were not listed under cash and short-term holdings, he said, even though they could be liquidated at any time. ■

Changes in cash holdings of top 100 industrial corporations

(quarter ended 3/31/83)

10 largest industrial corporations

Company	Cash & short-term investments —($ millions)— 1983	1982	% change '83 vs. '82
General Motors	$4,723	$1,346	250.82
Int'l Business Machines	4,288	1,843	132.66
Exxon Corp.	4,279	4,116	3.96
General Electric	2,536	2,190	15.80
Texaco Inc.	2,376	2,953	-19.54
Standard Oil - Calif.	2,191	1,975	10.94
Standard Oil - Ind.	1,737	443	292.10
Ford Motor	1,669	2,013	-17.11
Mobil Corp.	1,540	680	126.47
Litton Industries*	1,485	1,089	36.30

10 largest increases in cash and short-term investments

Company	Cash & short-term investments —($ millions)— 1983	1982	% change '83 vs. '82
McDonnell Douglas	$241	$6	3857.38
General Dynamics**	78	4	1663.64
Greyhound	19	3	668.00
Union Pacific	428	69	518.64
Allied Corp.	270	64	321.88
Standard Oil - Ind.	1,737	443	292.10
Ralston Purina	176	46	287.47
General Motors	4,723	1,346	250.82
Aluminum Co. of Amer.	240	74	225.95
LTV	383	120	218.22

10 largest decreases in cash and short-term investments

Company	Cash & short-term investments —($ millions)— 1983	1982	% change '83 vs. '82
Continental Group	$49	$80	-39.08
Int'l Paper	584	971	-39.89
Union Carbide	139	260	-46.54
U.S. Steel	581	1,097	-47.05
Armco	67	135	-49.96
Standard Oil - Ohio	255	539	-52.72
Coastal Corp.	76	161	-52.93
Lockheed Corp.	36	77	-53.72
Boeing	291	744	-60.89
McDermott	144	535	-73.13

*Quarter ended 1/31/83
**Quarter ended 4/03/83
Compiled by Wright Investors Service, Bridgeport, Conn.

Bendix, Western Electric, Agway and Land-O-Lakes have been withdrawn from this list. Champion Int'l., Archer Daniels, Heinz (H.J.) and Bristol-Meyers were substituted.

Program for personal computers enables bank price comparisons

Test results surprise corporations, show high price variability

By Richard J. Gillespie

CHICAGO — Corporate cash managers frustrated by the lack of standardization among bank account analyses are about to be rescued by a personal computer.

Treasury Strategies, a cash management consulting firm, has developed a program to run on an IBM-PC that can standardize all the various types of bank account analyses so corporations can, at last, compare one bank's costs with another's.

Pilot tests with four different corporations — Merrill Lynch, Combustion Engineering, Wisconsin Power & Light and Urban Investment (a division of Aetna Life) — already have established comparability among some 40 banks.

"Our immediate finding was that corporations were very surprised to see the total amount they were paying, it turned out to be much bigger than they expected," said Anthony Carfang, principal and founder of Treasury Strategies, which is marketing the program through a new company, Treasury Microware.

"We also found that once we had standardized the information, there was a high degree of variability in the prices among banks for stated services."

In some instances, Treasury Strategies found the true cost of lockboxing differed by 100% from one bank to another. Likewise, wire transfer and corporate checking charges could vary by the same amount.

The program shows bank costs can even vary widely within the same locale, he said. Bank costs on individual services even vary widely among banks within similar asset classes, such as among the top 10 banks.

"We even found variations within the same bank dealing with two divisions of the same corporation," he commented.

About 29 of the top 30 banks have had service costs logged onto the program by various corporations so far. Among them, Mr. Carfang said he found Chemical Bank to be one of the most consistent in the rates it charges clients. At the same time, regional bank costs tend to vary less than money center bank costs, he said.

The computer model, as yet unnamed and unannounced publicly, can be modified to run on other computers. It costs $7,500 to install on an IBM-PC, a price that includes two days of on-site consulting, he said.

The program itself was designed to make data entry as simple as possible, he said. The format that appears on the computer screen is identical to the format on each account analysis, so there is a different format for every bank used, he said.

In the recent pilot program conducted by Treasury Strategies with four corporations, cash managers saw, some perhaps for the first time, their comparative bank costs.

They were very surprised, according to Mr. Carfang.

Wire transfer charges, lockbox charges and checking costs were found to vary by as much as 100% from bank to bank. Complex accounting procedures had hidden the true costs, he said.

For example, a simple cash management product like a lockbox might be charged on a flat rate of 20 cents per item, in which case 1,000 items would cost $200. But a second bank might charge a monthly maintenance fee for lockboxing, and then add in 10 cents per item and a reporting fee.

Most big banks break down their costs into a multiplicity of components when charging customers, he said. They break out items like monthly maintenance fees, item processing charges, photocopying charges, check encoding charges, a daily deposit charge and even a daily balance reporting charge.

At the same time as providing bills based on a multiplicity of component charges, banks will use different terminology, which can confuse matters further. One bank might call a deposit a corporate credit, another might call it a daily deposit and a third might call it a credit entry, he said.

Having standardized the data in the account analysis, the model helps corporations to compare service costs among banks. Before a true comparison can be made, however, the model has to make adjustments to allow for the differences in payment by fees or by compensating balances arrangements.

Corporations often pay banks by leaving compensating balances in accounts. Banks pay interest on the balances, but generally only at the Treasury bill rate. At the same time, because the bank must leave 13% of those balances with the Federal Reserve as a reserve require-

Continued on page 48

N.Y. stakes Dallas . . .

Continued from page 3

equity ownership in the property. Construction is scheduled to begin in January after the developer, Criswell Development Co. of Dallas, secures construction financing for the skyscraper on the north side of downtown. The 1.2 million-square-foot building is planned as the first of a three-tower complex that will include a 300-room hotel and 3 million square feet of office space on six-acres.

Plans to build a high-rise office building on the property had been in the works for at least two years. About 1½ years ago, the previous owner, Campeau Corp. of Toronto, abandoned plans to build on the site. Criswell then acquired an interest in the property and became managing partner of the project.

The New York Common Fund spokesman said the quality of the project, its developers and location were among the prime considerations in deciding to provide the financing.

"This will become the premiere location ... the premiere building" in downtown Dallas, he said. Such a deal is consistent with the fund's role as "long-term lenders on prime office buildings," he added.

The spokesman dismissed fears of others that downtown Dallas has a glut of office space, even though a recently released study showed a 13.1% vacancy rate at the end of the second quarter. Premiere office buildings have no trouble finding tenants, he said. Most of the vacancies are in the older downtown, he noted.

Britons bat in match . . .

Continued from page 6

managing properties, appraising and leasing. It now has offices in seven U.S. cities.

Richard Ellis manages $800 million in American real estate, the total bolstered by about $100 million worked on behalf of the real estate investment unit of The St. Paul Cos. Inc., an insurer. Other pension clients include the Imperial Tobacco Group, the Electricity Council and American Property Trust, a pooled fund for 40 U.K. pension funds.

It came to the United States soon after Jones Lang, and now has offices in five U.S. cities. Eventually, Ellis will undertake the leasing consultancy here that it has performed in other countries.

The firms also have in common the required background needed to become a flourishing real estate professional in the United Kingdom, for which no as-encompassing counterpart exists in the United States. "Charter surveyor" is a professional designation. An individual takes a five-year course that involves a college degree and practical experience. A firm can be designated a charter surveyor only if each partner is one.

"Our sense of optimism is that we, as a company, have a considerable potential in terms of what we can offer, in what we can provide to institutional investors in this country," said Ellis' Mr. Bond. "They will be looking for an adviser with the depth of expertise we have in this market, who have sold property in this market. As long as we are judged in those terms, we feel confident we will be in a very good position." ▪

IRS data show plans overfunded . . .

Continued from page 5

funded plans could be merged with less well-funded plans, suggested Towers Perrin's Mr. Holloway. "The net effect would be to reduce company contributions to the plans overall." Plan sponsors also could provide additional benefits, such as death or health benefits, or offer an "open window" early retirement plan, he said.

However, if the Financial Accounting Standards Board approves its proposal to require inclusion of net pension liabilities on the corporate balance sheet, the question of what to do with overfunding in a pension plan might not be "a big consideration" by 1985, Mr. Holloway added.

Terminations usually are not the route chosen to take advantage of an excess, actuaries agree.

Most often, companies take advantage of overfunding by reducing contributions in subsequent years, though some use the overfunding as an opportunity to improve retirement benefits, especially for retired employees.

However, financially troubled companies, or those with assets out of proportion to their liabilities, might consider termination, Mr. Holloway said.

Meidinger's Mr. Pines pointed to Occidental Petroleum Corp.'s termination of four pension plans that garnered it a $400 million reversion (*P&I Age*, Aug. 22). In the long run, that move will cost the company more money because it replaced the terminated plans with a more generous money purchase plan, he said. In effect, "they said, 'We needed the cash right now and will pay for it later on,' " Mr. Pines said.

Another recent trend has been spinning an overfunded plan into a plan for active employees and a plan for retirees, such as AMAX Inc. and Stroh Brewery Co. are attempting (*P&I Age*, Aug. 8 and Sept. 5). The assets in excess of those needed to cover accrued benefits are placed in the retirees' plan, which is then terminated, enabling the employer to recapture the excess. However, the Pension Benefit Guaranty Corp. asserts terminations in such instances never occurred, although the IRS has taken the position they are legal.

While some actuaries and lawyers think the action is legal, Kwasha Lipton's Mr. Castells doubts the Employee Retirement Income Security Act ever intended to allow such an effect.

Under minimum funding rules, companies must fund plans to account for future salary assumptions, he said.

But following the spinoff and termination route enables plan sponsors to withdraw funds contributed to cover future benefits.

"One set of rules requires you to put the money in and another lets you take it out. It's a total inconsistency," he said.

In general, Mr. Holloway thinks the phenomenon of companies trying to take advantage of overfunded situations is transient. "I think we are looking at a temporary blip in a curve," as the United States is coming out of a recession. "Also, what the stock market gives, the stock market takes away. (The 'overfunding') could evaporate," he said. ▪

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Study finds fault with mortgage efforts

By Kimberly Blanton

BOSTON — Most state pension funds' special programs for buying in-state mortgages have failed, according to a study by Alicia Munnell.

Ms. Munnell, vice president and economist at the First Federal Reserve Bank of Boston, in a detailed study of in-state mortgage investments, found states that purchased mortgages either have failed to increase the supply of mortgages within their state or have suffered a loss of return.

State investments in Government National Mortgage Association mortgages, which yield market rates, have done nothing to increase the supply of mortgages, according to Ms. Munnell's study, which provides copious data on public funds' mortgage investments.

Twenty-six states, including California, Massachusetts, Alabama, Washington, Ohio, Texas and Indiana, have total holdings of $15 billion in Ginnie Maes.

Moreover, investments in another popular mortgage security, the privately insured Mortgage Guaranty Insurance Corp. — Maggie Maes — sacrificed return. Maggie Maes, while more risky and less liquid than Ginnie Maes, had inferior yields.

Only two states, Colorado and Oregon, have succeeded in providing attractive mortgage terms for residents of their states without sacrificing return to the funds investing in the mortgages.

In an appendix to the study, titled "The Pitfalls of Social Investing: The Case of Public Pensions and Housing" and published in the September edition of the New England Economic Review, Ms. Munnell detailed state-by-state "social" investment programs, those intended to improve the economy within the state.

Ms. Munnell found five states — Colorado, Delaware, Michigan, Ohio and Washington — with venture capital programs for in-state companies. In Connecticut and Massachusetts, it is illegal to make investments in companies with South African operations. The Massachusetts fund also has divested its holdings in companies selling arms in Northern Ireland and in banks that provide financing to these companies.

The focus of the study, however, is on in-state mortgage investing, which is "by far the most prevalent form" social investing has taken. She found 31 states make social investments, primarily through targeted mortgage programs.

The programs largely have failed, according to Ms. Munnell. "Those states that have invested in government-insured pass-throughs (Ginnie Maes) have avoided any loss of return, but have not increased the supply of mortgage funds through the purchase of these market-rate securities," Ms. Munnell wrote.

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Pensions &
Investment Age®

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The newspaper of corporate and institutional investing • $3.00 an issue • $60 a year • October 17, 1983

Reynolds ends plan

By Joel Chernoff

RICHMOND, Va. — Reynolds Metals Co. has terminated its pension plan for salaried employees to recapture $130 million in excess assets.

In its place, the company has set up a new defined benefit plan with higher benefit levels.

The company has $780 million in pension trust assets; the salaried plan assets total $470 million.

"Basically, we wanted to update our benefit formula and put to productive use the cash in excess of that required to pay future benefits," said Roger Campbell, a Reynolds spokesman.

The reversion of assets stands out as one of the larger recaptures in the trend of companies terminating overfunded plans. Occidental Petroleum Corp.'s recapture of $400 million from the termination of four plans is the highest reversion known (*Pensions & Investment Age*, Aug. 22).

Reynolds filed to terminate its Retirement Program for Salaried Employees Aug. 12 with a proposed termination date of Aug. 22.

The plan had 3,144 retirees and beneficiaries, and 8,813 active and vested former employees.

The aluminum-industry firm also maintains "about 30" retirement plans for its hourly employees, Mr. Campbell said.

The company filed its application with the Internal Revenue Service Aug. 22 for a determination letter on the new plan for salaried employees.

The Pension Benefit Guaranty Corp. has not yet ruled on

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Celanese Corp.'s $700 million fund

$300 million excess targeted

By Joel Chernoff

NEW YORK — Citing benefits to shareholders and employees, Celanese Corp. is trying to recapture $300 million in excess assets from its $700 million pension fund.

If the company obtains government consent, it will split its pension fund into one for active employees and one for retired employees, putting the excess assets in the latter. It then will terminate the newly created retired employees' plan and recapture the excess assets, according to company officials.

Celanese expects to receive about $160 million in the second or third quarter of 1984, after paying taxes on the $300 million, said C. Robert Tully, vice president and chief executive officer. While the company is exploring its options to shelter or defer taxes on the reversion, Mr. Tully said Celanese has no present plans.

He said that forgoing the recapture because of having to pay taxes would be like saying, "Let's not make a dollar of profit because we have to give 46 cents to the government." He said it "doesn't disturb" the company to pay the taxes, particularly since the firm received tax writeoffs when it contributed to the fund.

The company might run into opposition in receiving permission for its plan, however. Government agencies have expressed reservations over similar applications by other firms (*Pensions & Investment Age*, Oct. 3).

However, Celanese executives maintain their action is legal and appropriate. Moreover, they say a tied-in boost in benefits will aid employees, and shareholders will gain from making the money available for corporate purposes.

The producer of chemicals, fibers and specialties asserts that, unlike cash-poor firms that recently have terminated overfunded plans, it is not in a money bind.

In the first two quarters of 1983, Celanese had income of $1.61 per share, down 31% from the first half of 1982 but much better than last year's overall loss of $2.45 per share. The 1982 loss was largely due to a $5-per-share loss involving a Mexican subsidiary and the devaluation of the peso.

"Our plan, as of the end of last year, was 83% overfunded," which was the highest in its industry, according to Kenneth G. Anderson, Celanese vice president for employee affairs. He said the overfunding was due to conservative funding approaches.

Mr. Tully condemned the recent actions by some companies to terminate an entire plan to recapture excess assets and replace it with a defined contribution plan, calling such moves "morally wrong."

In many such cases, terminations were made to avert potential takeovers or to reduce corporate debt.

Terminating the entire plan and replacing it with a defined contribution plan would not only be more expensive but would provide less retirement income security for participants, the company maintains.

The Celanese Retirement Income Plan covers 15,000 active participants and 6,000 retirees. Just prior to splitting the plan, Celanese will boost benefits for active employees by about 11% as of Jan. 1, 1984, con-

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Highs and lows among pension fund executives' salaries. See pages 17-18.

Managers raise cash reserves, lose to market in third quarter

By Nancy Webman

DALLAS — Investment managers in the INDATA universe slightly increased their cash reserves by the end of the third quarter, which one INDATA official links to institutional money managers underperforming the market in the same period.

William T. Kennedy, a partner in the Connecticut portfolio evaluation company, said the managers might have more cash because they kept out some money after selling in sectors in which they were overweighted and buying in sectors in which they were underweighted.

Those same managers underperformed the market because they were underweighted in the top performing groups — utilities and basic materials — and were overweighted in a poor performer — technology, Mr. Kennedy commented.

Equity managers had an average of 10% cash reserves Sept. 30, up from 9.6% June 30 and the first increase in cash holdings in about a year.

The increase began in the first week of September, Mr. Kennedy said, indicating the managers sold into the rally that was occurring at the time.

The 10% cash "is not an exciting figure," and is about halfway between the high of 16.8% in August 1982 and the low of 5.6% in 1976, Mr. Kennedy noted. He said money managers "don't seem to believe the market, don't seem to believe that the market leadership is in

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Late news

CTA adds 4 for realty

CHICAGO — The Chicago Transit Authority's retirement system selected four real estate managers, including Wachovia Bank & Trust Co., Winston-Salem, N.C., and Smith Barney Real Estate Corp., New York, according to sources.

The pension fund committed to commingled funds in those two cases. This was the fund's first move into real estate.

The pension fund totaled more than $330 million at the end of 1979, according to the 1983 Money Market Directory.

The fund reportedly hired two additional advisers, The Prudential Insurance Co., Newark, N.J., and The RREEF Funds, San Francisco, but that could not be confirmed.

Furey replaces Smith

MIDDLETOWN, Ohio — Dennis Furey Jr. has replaced Mark Smith as investment director for Armco Inc.'s $1.4 billion pension plan, the third person to hold that position in more than 12 months.

Mr. Furey, executive vice president of Armco Investment Management Inc., was general manager of Armco's treasury operations, a company spokeswoman said. Mr. Smith, a consultant at Meidinger

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$5 million in venture cap

Ohio PERS finds suite deal with hotel chain investment

By Ivy Schmerken
and Kimberly Blanton

COLUMBUS, Ohio — The Ohio Public Employees Retirement Fund has made a venture capital investment in a hotel management company that will build a national hotel chain catering to the business traveler.

The $7.7 billion state pension fund's $5 million investment has bought 40% of the management company, Pickett Hotel Co. The remaining 60% is owned by James Pickett, a developer of real estate and hotels who is president of The Pickett Cos., Dublin, Ohio.

Robert McLaughlin, investment officer for the Ohio fund, expects to make $25 million, or five times the initial investment. The pension fund has a $1 billion cash flow to invest this year.

"We decided to do it because we thought it was a brilliant idea," Mr. McLaughlin said. "We'll be competitive in every market and offer more to the guest."

The concept behind Pickett Hotel Suites is to "go head-to-head" with medium-to-high-priced hotel chains like Marriott Corp.

In cities where Marriott charges $60 a room, Pickett also will charge $60, but Pickett hopes to offer unique services. Because the hotels will be built without meeting rooms and convention halls, the money saved there will be used to equip the rooms with numerous electronic devices — including three televisions.

The Ohio fund has put some stipulations on the hotel investment, according to C. Frances Kercheval, president of the Pickett Hotel Co. By the end of 1989, Pickett Hotels will have a public sale of its stock; the company must remain in Franklin County, where Columbus is located; and Mr. Pickett cannot sell his holding in the company to another investor.

Pickett plans to build 24 hotels by the end of 1988, Mr. Kercheval said. Ground will be broken for construction of the first hotel site, Atlanta, at the end of October. At the end of this year, construction will begin on a second hotel in Tampa, Fla., followed by another in Atlanta and a fourth in Columbus. The hotels will be built in Ohio, the Southeast and mid-Atlantic states.

Debt financing already has been arranged for 100% — $15 million each — of two sites, the first Atlanta hotel and the one to be built in Columbus, Mr. Kercheval said. He would not disclose the sources of finance, but said they were through traditional lending channels. Mr. Kercheval said he plans to raise another $4 million in equity financing for each site.

The process of setting up the management company began two months ago, and within a month, the top staff will be hired.

The hotels will have seven floors and 203 suites. Each suite will have a built-in personal computer, built-in calculators, a kitchenette with a microwave oven, and a hair dryer.

Continued on page 44

Dispute over control leads to Richard Ellis departures

By Kimberly Blanton

CHICAGO — Several executives are leaving Richard Ellis Inc. amid disagreement with the firm's U.K. owners over control of domestic operations.

Donald Bodel, former president of Richard Ellis Inc., the U.S. affiliate of the international real estate firm Richard Ellis, left the Chicago office in early September. He was followed in early October by Gregory Campbell, past president of Richard Ellis Management Inc., the property management subsidiary; Bradley Olsen, the Chicago office manager of Richard Ellis Inc.; Walter Sprunt, Dallas office manager; Richard Adkisson, a vice president in Dallas; John Wilson, the San Francisco office manager; and F. Allan Chapman, vice president of property acquisitions on the West Coast.

Most of them already have or are making plans to set up their own real estate investment and consulting firms serving U.S. clients. Some are completing projects at Richard Ellis before leaving, but none will take any Richard Ellis clients with them.

As a result of the departures, Richard Ellis Inc. has announced a staff reorganization. Gerald Parkes has been appointed to the board of directors, joining current members David A. Sizur, Christopher Budden and Graham Bond.

All people leaving, except Mr. Chapman and Mr. Adkisson, were on the board and were part owners in Richard Ellis Inc., but ownership primarily is in the hands of U.K. partners.

The departure of the seven executives resulted from one change in particular at Richard Ellis Inc.: the moving of its headquarters from Chicago to New York.

Under the restructured Richard Ellis, New York and San Francisco will become the main offices for acquiring properties. Several satellite offices around the country will manage properties and serve as "listening posts in the market," according to Mr. Sizur, who is chairman and chief executive officer of Richard Ellis Inc. Mr. Sizur recently moved to the United States from the United Kingdom.

William Lyons will remain the regional manager of Richard Ellis Management Inc.'s Chicago office, but Mr. Olsen will not be replaced. William McFarland remains as regional manager in Houston; Jerry Sauls, vice president, in Atlanta; and Christopher Roscoe in Los Angeles. No one has been named to head the San Francisco office yet. The Dallas office will close.

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Vol. 11, No. 21 — Pensions & Investment Age (ISSN 0273-5466) is published every other Monday at 740 Rush St., Chicago, Ill. 60611. Second class postage paid at Chicago, Ill. and at additional mailing offices. Postmaster: Send address changes to Pensions & Investment Age, Circulation Dept. 740 Rush St., Chicago, Ill. 60611. Copyright 1983.

Late news

Continued from page 1
Asset Planning Service Inc.'s Cincinnati office, left Armco in late September. In the summer of 1982, Mr. Smith replaced Paul Chenault, who left Armco to form his own firm, C-S Capital Advisors.

Rath 1983 payment

WASHINGTON — Rath Packing Co. will spread its 1983 payment to the Pension Benefit Guaranty Corp. over 12 months, enabling the troubled company to avoid defaulting on its pension obligation.

Rath told the PBGC in July that heavy losses would prevent it from making a $1.7 million payment due Sept. 15. The company had agreed to a $13.3 million settlement stemming from the termination of its pension plan (*Pensions & Investment Age*, Aug. 8). Now, it will make backloaded payments on its obligation of $1.7 million plus 12% simple interest; the first payment of $87,473 was made Oct. 7.

Rath also will give the PBGC a percentage of its pretax profits during the 13 years starting 1985, instead of a previous 10-year period. As agreed earlier, the company also will pay about $750,000 annually for 13 years beginning in 1985.

10 commit to fund

NEW YORK — Nine pension funds and one insurance company committed capital to a subordinated debt and equity leveraged buy-out fund organized by Forstmann Little & Co. that closed here after 3½ months with $250 million.

Although spokesmen declined to identify the funds involved, *Pensions & Investment Age* learned they are Standard Oil (Indiana), Texas Instruments, Honeywell, Minnesota Mining and Manufacturing, GTE, General Electric, Phillips Petroleum, Boeing and Boise Cascade. The funds anticipate returns substantially in excess of normal fixed-income returns during a five-year period, said Robert Johnston, managing director of Specialized Investment Disciplines, which brought the nine funds together.

Woodford joins firm

CHICAGO — Charles Woodford, who resigned in August as head of The First National Bank of Chicago's trust department amid a department realignment, will become chairman and chief executive officer of Trust Services of America, a Los Angeles trust company and wholly owned subsidiary of the California Federal Savings and Loan Association.

An FNB Chicago source confirmed the appointment; Mr. Woodford could not be reached for comment. FNB Chicago integrated its trust services with other bank services and applied to the comptroller of the currency to form a separate subsidiary offering investment management.

AMCAP appointment

LOS ANGELES — Marjorie Fisher was named president of AMCAP Fund, an $863 million mutual fund specializing in growth stocks that is managed by Capital Research & Management Co., Los Angeles.

Ms. Fisher succeeds Howard Schow, who resigned Aug. 31 to form an independent money management firm. Ms. Fisher was an investment manager for 13 years. The holding company is The Capital Group, also parent to a separate affiliate, Capital Guardian Trust.

Illinois board returns

CHICAGO — In fiscal year 1983, the Illinois State Board of Investment had its highest return ever, 44.1%, according to the board's annual report. The boost in return was a result of a larger commitment to equity holdings, 51%.

City Trust adds staff

ELIZABETH, N.J. — City Trust Services has hired Luke LaValle, president and chief investment officer of American Capital Management Inc., as an adviser to its Select Fund, replacing Massachusetts Financial Services Inc. According to a City Trust spokesman, the change was made because Massachusetts Financial wanted to change the person making the decisions for the Select Fund. The Select Fund focuses on people and their ideas, the spokesman said. Mr. LaValle scored very well in a study on selection ability by a major consulting firm, the spokesman said.

City Trust's select fund invests in up to 25 stocks.

Russell funds chosen

WAUSAU, Wis. — The Wisconsin Valley Trust Co., with approximately $160 million in assets, will use the commingled funds offered by Frank Russell Investment Managment Co., according to T. James Kennedy, president.

President certain but aides aren't

WASHINGTON — President Reagan says the economic recovery has been good to pension funds, and that means to retirees and workers, too.

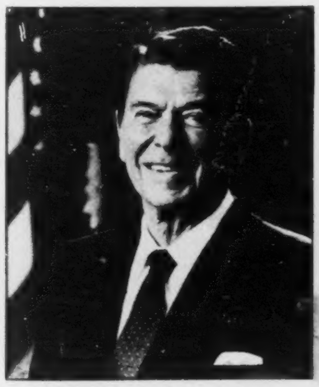
But the White House is not sure just how good things are.

In a speech Oct. 5, the president said the economy was recovering, and pension funds were reaping the benefit.

"That brings me to the place where America's nest eggs, billions of dollars in workers' pension funds, are invested.

"The gains in the stock market have meant a higher return for all of America's workers and their retirement savings. That's very good news for retirees and workers."

However, several hours later, a researcher at the White House Office of Policy Development called this newspaper seeking data that would bear out the president's remarks.



President Reagan: optimistic

The aide was told current data are not available, especially since the Securities and Exchange Commission ended its quarterly survey of pension fund assets after the third quarter of 1981.

Why did the SEC stop its survey, the researcher asked.

Budget cuts, she was told. ■

Union, public fund compensation trails

Company fund exec salary tops $68,000

NEW YORK — The average salary for corporate pension executives in 1983 is $68,651, for public fund executives it is $48,081 and for union fund executives, $59,173, a *Pensions & Investment Age* survey shows.

The survey, which drew 160 responses — 99 from corporate executives, 52 from public employee fund executives and nine from union executives — showed corporate executives received an average raise of 8% at the end of 1982, while public officials received a 6% raise and union officials received a 6.2% raise.

The income discrepancy in favor of corporate pension executives was widened further by the fact more than half of them received bonuses in 1982; among those who received them, the bonuses averaged $13,953.

In addition, 40 of the corporate pension executives participated in profit-sharing or thrift plans, and the average company contribution to such plans in 1982 was 6.1% of salary.

Thus, the average total compensation of the corporate pension executives was more than $86,000.

Only two public fund executives received bonuses — one $3,000 and one $1,000 — and only two participated in thrift plans. No union executives received bonuses.

Another major discrepancy highlighted by the survey is between the salaries of male pension executives and those of female executives. The average male executive made $66,010 in 1983 while the average female executive made $47,230.

The female executives had an average of 6.9 years of experience (although one had 25 years of experience) compared with 9.9 years for the average corporate pension executive, 14.9 years for the average public fund executive and 13.8 years for the average union executive.

The highest average salary was paid to executives in the New York area, $75,026, up 7.9% from the $69,494 they received in 1982. The next highest average was for the Northeast excluding New York, $64,520, up 8.1% from 1982.

The lowest average salary was $53,441 paid in the Southwest. This was an increase of 6.9% from the $49,969 paid in 1982.

Surprisingly, the data, which was analyzed by TSN Inc., an executive search and consulting firm in New York, showed no correlation between fund size and salary, nor between responsibilities and salary.

The average salary for executives managing funds with more than $750 million in assets was $62,985 in 1983, up 7.2% from 1982. The average salary for funds between $251 million and $750 million was $62,262, up 8.1% from 1982, while for funds between $51 million and $250 million, the average 1983 salary was $55,966, up 5% from 1982.

Only two executives for funds with assets between $10 million and $50 million responded to the survey, and their average salary was $59,500, up 6.6% from 1982.

A majority of corporate pension executives had advanced academic degrees. Two of the 99 executives had Ph.D.s, 50 had MBAs, three had law degrees, 10 had masters' degrees that were not MBAs, while 31 had no post-graduate degrees. Three of the executives had only high school diplomas, and one of them was earning more than the median salary for corporate fund executives.

Among the 52 public fund executives, advanced degrees were less common. Only one had a Ph.D., one had a law degree and 16 had masters' degrees, of which 13 were MBAs.

Four of the public fund executives had not finished college.

The MBA degree did seem to enhance the earning potential of public fund executives as eight of the top 10 public fund salaries went to MBAs.

Only two of the nine union fund executives, had masters' degrees.

Four of the female executives had MBAs, two had masters' degrees other than MBAs, six had bachelors' degrees and one had no college education.

The highest salary paid to a corporate fund executive was $156,000 for a fund in the $251 million to $750 million range. This executive has been with his company more than 20 years, has 10 years of investment experience and is responsible for manager evaluation and selection, asset allocation, performance measurement and ERISA compliance. He also has general financial responsibilities within the corporation.

The second highest paid corporate executive is receiving $150,000 in 1983, up from $130,000 last year. In addition, he received a $15,000 bonus in 1982 and expects the bonus will increase this year. This executive is responsible for all aspects of pension fund management, including management of a more than $400 million in-house portfolio. He supervises six investment professionals and has 25 years of investment experience. He also provides advice to the corporation on corporate finance and cash management.

One corporate executive, whose salary this year is $135,000, received a $70,000 bonus in 1982 and expects it to increase in 1983. This executive oversees the entire pension fund investment operation, including the investment of more than $300 million internally.

The highest paid public fund executive has a salary of $78,400 for 1983 and oversees the investment of several billion dollars internally. He also evaluates and selects money managers and is responsible for asset allocation.

He has nine years of investment experience.

The top paid union fund executive has a 1983 salary of $80,358, the same as in 1982.

He has 13 years of experience and oversees the investment of $100 million internally.

While several pension fund executives at union and public employee funds received no salary increase this year, only one executive, a West Coast corporate executive, actually suffered a decline in salary this year.

This executive's salary declined by $20,000. ■

1983 salary survey

	Base salary 1983	Base salary 1982	% increase 1983/1982	Number of responses
	Salary by region			
New York	$75,026	$69,494	7.9	20
Northeast	64,520	59,703	8.1	33
Midwest	58,918	55,043	7.0	51
Southeast	54,521	51,426	10.6	8
Southwest	53,442	49,969	6.9	19
West Coast	60,662	56,995	6.4	17
Other	58,733	56,019	4.8	13
	Salary by type of fund			
Corporate	$68,651	63,536	8.0	99
Public	48,081	45,359	6.0	52
Union (Taft-Hartley)	59,173	55,706	6.2	9
Other	41,600	38,700	7.4	1
	Salary by size of fund			
More than $750 mil.	$62,985	$58,780	7.2	66
$251-$750 mil.	62,262	57,575	8.1	58
$51-$250 mil.	55,966	53,311	5.0	34
$10-$50 mil.	59,500	55,834	6.6	2
Less than $10 mil.	na	na	na	na

Executive salary survey

Corporate pension executives

1983 salary	1982 bonus	Fund size ($ mil)	Funds managed inhouse ($ mil)	Duties*	Investment experience (years)	General finance duties
156,000	0	251-750	0	4,5,6,7	10	yes
150,000	15,000	750+	450	1,2,3,4,5,6	25	yes
143,000	0	51-250	0	4,5,6	20	yes
140,000	70,000	750+	300	1,2,3,4,5,6	31	no
135,000	40,000	750+	0	4,5,6	25	yes
130,000	20,000	251-750	250	1,2,3,4,5,6	10	no
115,000	0	251-750	300	4,5,6,7	12	yes
107,000	32,000	251-750	5	2,4,5,6,7	18	no
105,000	20,000	750+	0	4,6	4	yes
102,000	0	51-250	0	4,5,6,7	15	yes
101,000	17,000	750+	0	4,5,6,7	30	no
100,500	0	750+	1.7	6,7	—	no
95,000	16,000	750+	360	1,2,4,5,6	10	no
94,000	21,000	750	0	4,5,6,7	6	no
90,000	0	51-250	0	1,2,4,5	15	yes
90,000	25,000	251-750	0	4,5,6,7	16	yes
88,800	10,800	750+	0	4,5,6,7	5	no
87,000	26,000	251-750	0	2,4,5	30	yes
85,000	0	251-750	50	4,5,6,7	25	no
85,000	23,000	750+	0	4,5,6	15	no
81,000	17,500	251-750	0	4,5,6,7	10	no
80,000	0	251-750	0	4,5,6,7	23	no
80,000	25,000	750+	100	1,2,4,5,6	14	no
80,000	15,000	51-250	150	1,2,3	—	—
77,000	0	750+	0	4,5,6	13	no
77,000	10,000	750+	600	4,5,6,7	12	no
75,000	15,000	251-750	11	1,2,4,5,6	12	yes
75,000	16,000	251-750	100	1,2,4,5,6,7	—	no
75,000	26,000	21-250	25	4,5,6,7	12	yes
74,000	15,000	11-50	5	1,4,5	16	yes
74,000	8,000	251-750	30	2,4,5,6,7	3	no
73,000	7,500	750+	500	1,2,3,4,5,6	12	yes
72,000	0	750+	0	4,5,6	3	no
71,000	0	251-750	0	4,5,6,7	0	no
71,000	20,000	251-750	0	4,5,6,7	4	yes
68,000	0	750+	750+	4,5,6,7	8	no
68,000	12,000	251-750	50	4,5,6,7	25	yes
68,000	11,000	251-750	75	1,4,5,6	6	yes
68,000	4,000	251-750	0	4,5	13	yes
67,680	0	750+	0	3,4,5,6	8	no
67,500	0	51-250	0	7	0	no
67,300	5,620	251-750	0	4,5,6,7	16	yes
66,000	0	750+	0	4,5,6	8	no
66,000	18,000	251-750	0	4,5,6,7	17	yes
66,000	6,500	251-750	0	4,5,6	25	yes
66,000	20,000	750+	0	4,5,6	15	no
66,000	5,000	750+	35	5,6,7	5	no
65,540	75	51-250	0	4,5,6	8	yes
65,000	0	251-750	0	4,5,6	13	yes
65,000	14,000	251-750	200	1,4,5,6	2.5	no
65,000	20,000	51-250	0	4,5,6,7	20	yes
65,000	0	251-750	160+	1,2,3,4,5	18	no
65,000	0	750+	0	4,5,6,7	1	no
63,000	0	750+	0	4	12	no
62,500	8,000	51-250	0	4,5,6,7	3	yes
62,400	0	251-750	0	4,5,6	3.5	yes
62,100	23,900	51-250	all	4,5,6,7	15	no
60,900	15,725	251-750	0	1,2,4,5,6	20	no
60,000	3,000	251-750	0	4,5,6,7	20	no
60,000	0	251-750	0	4,5,6,7	7	no
60,000	5,000	251-750	250	1,2,3,4,5,6	15	no
59,800	2,600	251-750	0	4,5,6,7	7	no
59,300	14,000	251-750	145	2,3,4,5,6,7	11	no
57,000	14,500	51-250	50	2,4,5	3	yes
56,500	0	51-250	0	4,5,6,7	6	yes
55,000	0	51-250	50	2,4,5,6	4	no
55,000	0	51-250	15	4,5,6,7	3	no
55,000	11,000	251-750	0	4,5,6,7	25	no
54,000	12,000	51-250	12	2,3,4,5,6,7	10	no
54,000	0	251-750	0	4,5	1	yes
54,000	6,000	251-750	0	4,5,6	11	yes
52,000	7,500	251-750	0	4,5,6,7	1	—
51,000	4,800	750+	750+	2,4,5,6	8	no
50,000	4,000	251-750	0	4,5,6,7	9	no
49,000	6,000	51-250	0	4,5,6,7	[illegible]	yes
48,800	0	750+	0	4,5,6,7	[illegible]	no
48,000	0	750+	0	4,5,6,7	[illegible]	no
48,000	1,000	251-750	25	2,4,5,6,7	7	yes
47,000	8,000	750+	275	4,5,6	6	no
47,000	2,000	750+	0	4,5,6	6	no
46,600	5,000	251-750	0	4,5	1	yes
46,500	3,400	750+	all	—	—	no
46,000	12,000	750+	750+	4,5,6,7	10	no
46,000	8,000	51-250	0	4,5	5	no
45,000	0	51-250	0	4,5,6,7	7	yes
43,000	0	251-750	0	4,5,6	3	yes
42,500	1,800	51-250	0	4,5,6,7	3	yes
42,400	0	750+	0	4,5,6,7	4	no
42,000	0	51-250	25	1,4,5	11	yes
42,000	0	51-250	0	4,5,6,7	5	yes
42,000	0	51-250	0	4,5,6,7	7	yes
41,000	0	251-750	75	4,5,6	2	yes
40,000	0	750+	300	2,4,5,6,7	3	no
39,500	6,000	51-250	0	4,5,6,7	7	yes
36,700	0	251-750	0	4,5,6,7	3	yes
36,000	1,100	51-250	0	4,5,6,7	5	no
33,000	0	251-750	0	4,6,7	7	no
33,000	0	51-250	30	4,5,6	1	yes
32,700	0	251-750	17	4,5,6,7	5	no

*Duties: 1) Portfolio management, equities; 2) Portfolio management, bonds; 3) Security analysis; 4) Manager evaluation, selection; 5) Asset allocation; 6) Performance measurement; 7) ERISA compliance

Public fund executives

1983 salary	1982 bonus	Fund size ($ mil)	Funds managed inhouse ($ mil)	Duties*	Investment experience (years)	General finance duties
78,400	0	750+	750+	2,4,5,6	9	yes
73,000	0	750+	750+	1,2,5	26	no
70,000	0	750+	750+	4,5,6	24	no
69,500	0	750+	750+	2,3,4,5	na	na
65,000	0	750+	750+	1,2,4,5,6	12	no
63,000	0	750+	750+	1,2,4,5,6	20	no
62,500	0	750+	750+	1,2,5	15	no
59,000	0	750+	750+	1,2,3,5,6	20	no
57,200	0	750+	750+	na	16	no
57,000	0	750+	0	4,5,6	7	no
55,800	0	251-750	0	4,5,6	4	no
55,200	3,000	750+	0	4,5,6	17	yes
55,000	0	750+	100+	1,2,3,4,5,6	9	no
53,500	0	750+	750+	1,2,3,4,5,6	4	no
53,056	0	750+	50+	1,2,3,4,5,6	1	no
53,000	0	750+	750+	1,2,5	33	no
53,000	0	251-750	0	4,5,6	4	no
52,800	0	750+	750+	2,3,4,5,6	24	no
52,500	0	750+	700+	4,5	1	no
52,491	0	251-750	350	2,4	23	no
52,400	0	750+	750+	1,2,3,5,6	11	no
52,000	0	750+	750+	2,5	17	yes
52,000	0	51-250+	50+	2,4,5,6	17	yes
51,844	0	750+	750+	2,3,4,5,6	31	no
50,000	0	750+	na	1,2,3,4,5,6	19	no
49,080	0	750+	150+	4,5,6	9	no
46,195	0	51-250	5+	4,5,6	9	yes
45,500	0	750+	na	4,5,6	8	no
45,000	1,000	11-50	0	4,5,6	2	yes
45,000	0	750+	0	4,5,6	14	no
44,897	0	750+	750+	1,2,3,4,5,6	25	no
43,000	0	51-250	100	1,2,5	10	yes
42,700	0	750	40	2,4	10	no
42,528	0	750+	200	na	26	no
42,500	0	251-750	na	na	15	no
42,100	0	51-250	0	na	36	no
40,000	0	51-250	0	4,5	6	no
40,000	0	750	0	na	5	no
39,000	0	251-750	250+	1,2,3,4,5	25	no
38,956	0	251-750	60	2,4,5	3	no
38,547	0	251-750	0	na	25	no
38,000	0	750+	750+	3,4,5,6	15	no
37,900	0	750+	200	1,2,4,5,6	30	yes
36,200	0	251-750	15	1,2,3,4,5,6	25	no
34,800	0	251-750	40	na	5	no
33,900	0	750+	250	3,4,5,6	6	no
33,821	0	251-750	0	4,5	20	yes
33,192	0	750+	750+	2	19	yes
32,400	0	51-250	0	na	na	no
30,752	0	251-750	0	na	5	no
29,000	0	750+	200	2,4,6	10	no
26,078	0	251-750	0	4,6	20	no

Union/Taft-Hartley fund executives

1983 salary	1982 bonus	Fund size ($ mil)	Funds managed inhouse ($ mil)	Duties*	Investment experience (years)	General finance duties
80,358	0	251-750	100	2,4,5,6,7	13	no
67,200	0	251-750	250+	4,5,6	1	no
66,000	0	251-750	0	na	30	no
65,000	0	750+	na	na	na	yes
59,000	0	750+	400+	2,4,5,6,7	10	yes
55,000	0	51-250	20	4,5,6,7	15	no
52,000	0	251-750	0	4,6,7	na	no
50,000	0	51-250	0	4	na	na
38,000	0	51-250	0	7	na	no
41,600	0	750+	10	1,2,3,4,5,6	31	yes

Pensions & Investment Age's survey of the salaries of the nation's pension executives is based on questionnaires that were sent to about 500 corporate, state and local government, and union pension officials.

Names were selected at random from *P&I Age's* list of the top 1,000 pension funds and from some smaller funds listed in the 1983 Money Market Directory.

The survey drew 160 responses — 99 from corporate executives, 52 from public employee fund executives and nine from union executives.

The data was analyzed by TSN Inc., a manpower consulting firm in New York.